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NEWS SUMMARY

GENERAL
Neave murder suspects pledge
A Scotland Yard chief told the inquest into the death of Airey Neave...

BUSINESS
Gilts off 0.42; Equities weaken
GILTS losses extended to 2 1/2 in longs and 1 1/2 in shorts...

Howe warns on EEC budget
Britain's net payments to the EEC budget are likely to rise by 50 per cent in the next three years...

Ecevit 'to resign'
Balent Ecevit, Turkey's Social Democratic Premier, is expected to resign shortly following his unexpected defeat in Sunday's by-elections...

Assassination bid
A gunman tried to assassinate Maltese Premier Dom Mintoff at his offices in Valletta...

Cornfield acquitted
Bernard Cornfield, who created Investors Overseas Services, which crashed in 1970, was acquitted by the Assize Court in Geneva after a three-week trial on a fraud charge...

Dissident arrested
East German police have placed leading political critic Professor Robert Havemann and his wife under house arrest...

Sponsorship move
BL subsidiary Land Rover, defended its decision to sponsor Captain Mark Phillips in three-day eventing at a cost of £80,000 over three years...

Computer training
Some British athletes may be able to train by computer for the 1980 Olympics...

Briefly...
Bodies of two potholers, one a policeman, were recovered from Cottrell Pot, Littondale, North Yorkshire.

Table with 2 columns: RISES and FALLS. Lists various commodities and their price changes from the previous day.

Hopes fade for all-party pact on Rhodesia

BY BRIDGET BLOOM AND MICHAEL HOLMAN
Hopes that an all party agreement on Rhodesia can be negotiated at Lancaster House, London, receded last night after Britain and the Patriotic Front failed—apparently finally—to agree on a new draft constitution for an independent Zimbabwe...

Output flat as economy nears turning point

BY PETER RIDDELL, ECONOMICS CORRESPONDENT
The British economy is near a turning point and the start of the recession may not be far away...

Lloyds bank charges up 40%

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT
LLOYDS BANK yesterday announced a 40 per cent increase in personal bank charges...

Table titled 'BANK CHARGES COMPARED' comparing various banks (Barclays, Lloyds, Midland, NatWest, Trustee Savings Bank, Co-op) on metrics like Charge per Debit Entry, Notional Interest Allowance Rate, and Minimum Balance for 'Free Banking'.

Banks may quit Fed says Volcker

BY DAVID LASCELLES in New York
BANKS controlling about 10 per cent of deposits in the Federal Reserve System have indicated they will pull out of the Fed unless the controversial membership issue is resolved soon...

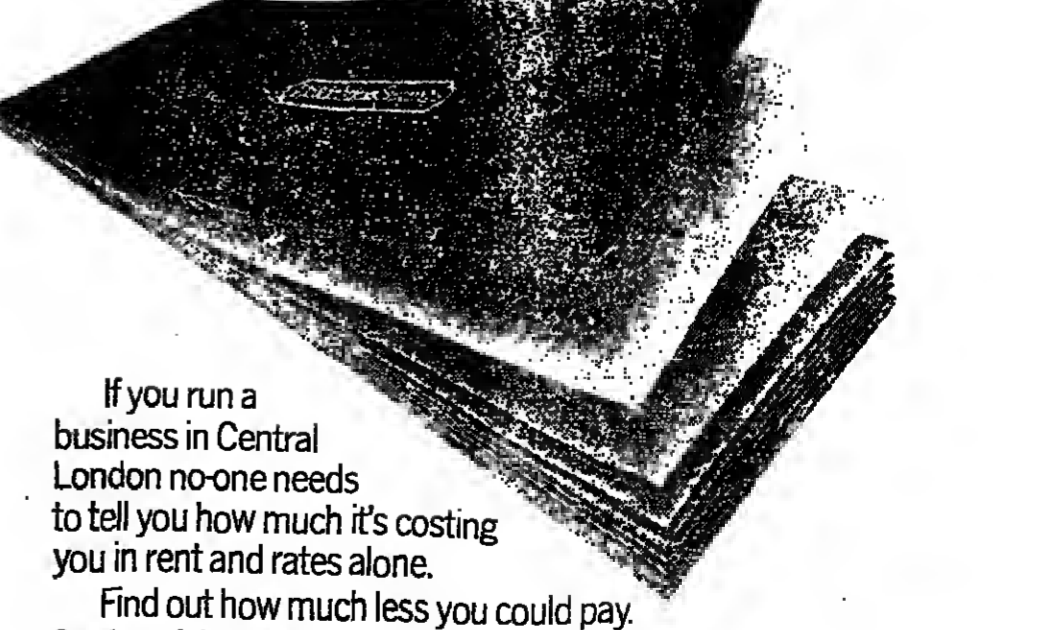
Libyan price rises break OPEC limit

BY RICHARD JOHNS, MIDDLE EAST EDITOR
LIBYA HAS raised its oil prices by nearly 12 per cent, breaking the maximum set by the Organisation of Petroleum Exporting Countries for the second half of the year...

Railmen plan 24-hour strike over Paddington

BY PHILIP BASSETT
ALL BRITISH Rail services in and out of London main-line stations are likely to be halted for 24 hours from tomorrow afternoon following the National Union of Railwaymen's refusal yesterday to go to arbitration on a manning dispute at Paddington station...

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Table of Contents listing various articles and their page numbers, including 'Semi-conductor Industry: The position in the U.S., Japan and Europe' and 'Film and Video: Balancing act of film critics'.

EUROPEAN NEWS

East Berlin and Prague crack down on dissent

By Our Berlin Correspondent

CZECHOSLOVAKIA and East Germany are working closely together in a joint crackdown that has begun on all forms of political dissidence in their countries.

The Prague regime is going ahead with preparations for trials later this month of ten leading human rights activists who were arrested in May and charged with subversion.

The Czechoslovak trials are expected to be held in two stages in Prague with the well-known playwright Vaclav Havel to be tried together with five other dissidents including two spokesmen for the Charter 77 human rights movement that was launched in January 1977.

Their conviction for subversion could lead to prison sentences of up to 10 years.

Indictments are also being prepared for the trial of four others on less serious charges which would permit the court to give some of them suspended sentences.

The Prague trials are to be held despite criticism in both West and East over the treatment of the dissidents. President Jimmy Carter voiced his concern as did Britain's Prime Minister, Mrs. Margaret Thatcher, who said her Government is closely following the case.

A hunger strike has taken place in Warsaw in solidarity with the arrested Czechoslovaks. The East German and Czechoslovak Communist media are co-ordinating closely with the crackdowns by reprinting each other's anti-dissent commentaries.

The East German Government has also stripped many of its critics of their citizenship.

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Brezhnev initiative sparks detente attempt between the two Germans. Anthony Robinson reports.

Civil rights issue clouds chances of rapprochement

THE STATE of inter-German relations has always been intimately related to the state of East-West relations in general. Last weekend's exchange of messages between Herr Helmut Schmidt, the West German Chancellor, and Herr Erich Honecker, the East German state and party leader, indicates that the prospect of a new phase in East-West negotiations opened up by Mr. Leonid Brezhnev's Berlin "peace offensive" will be matched by a new effort to improve relations between East and West Germany.

In fact well before Mr. Brezhnev's speech, and Mr. Honecker's own statement of willingness to discuss inter-German affairs, West Germany was already showing its desire for closer relations with its East European neighbours through a series of visits by the Chancellor to Poland, Hungary and Bulgaria. This reflects the view in Bonn that East-West relations are far more than an affair between super-powers. It also partly explains West German irritation at the way that is seen as U.S. domestic politics are complicating the SALT ratification process.

The Soviet leadership is obviously well aware of this sentiment. Mr. Brezhnev went out of his way in his East Berlin speech to underline that the Soviet Union is prepared to start negotiations on SALT 3, in which Europe will be intimately involved, immediately after SALT 2 ratification.

But, as the Chancellor's journeying through Eastern Europe indicates, West Germany is determined that relations between the two halves of Europe should also be strengthened by more intensive trade, financial, political and cultural ties. The exchange of messages between the two leaders shows that improved relations between East and West Germany are an essential part of this strategy.

The initiative was taken by Herr Schmidt, Herr Honecker acknowledged this in his speech to the East German Parliament during the celebrations marking East Germany's 30th anniversary. "We take careful note of all steps taken by the Federal Republic of Germany which serve the further normalisation of relations between the two German states as well as arms limitations and disarmament. Many issues facing us now and in future hinge on this further normalisation," he said.



Herr Schmidt, Herr Honecker acknowledged this in his speech to the East German Parliament during the celebrations marking East Germany's 30th anniversary.

Herr Erich Honecker (far right), the East German President and party chief, who has been playing host to Mr. Leonid Brezhnev, the Soviet President, and other Communist leaders, has responded positively to the initiative by Chancellor Helmut Schmidt (left) to improve relations between West Germany and its eastern neighbour.



more important than the related, but inevitably less significant, question of the relationship between East and West Germany. Indeed the kind of improved relations which are likely to be the subject of negotiations between the two German states are expected to be strictly limited. They will include the construction of a new motorway between West Berlin and Hamburg, improvements in canal communications to West Berlin and between East and West Berlin itself.

Prof. Havemann arrested again

BY LESLIE COLTIT IN BERLIN

EAST GERMANY'S most prominent political critic, Professor Robert Havemann, has been placed under house arrest, together with his wife, only five months after a two-and-a-half-year-long confinement to his home outside East Berlin was lifted by the authorities.

Cars containing plainclothes security officers surrounded his home in Gruenheide, and Professor Havemann was prevented by

them from calling his lawyer from a nearby public telephone. His own telephone has been cut off for more than two years.

Earlier this month, Professor Havemann issued 10 theses on East Germany's anniversary which were published by a Spanish Communist newspaper.

They called for freedom of expression, an end to censorship, an independent press and freedom to travel to the

West for East Germans other than pensioners.

On Sunday evening, the security police prevented Professor Havemann from leaving his home to meet Herr Rudolf Bahro, a former Marxist economist who was released from prison on Thursday, at the start of East Germany's general amnesty.

Herr Bahro is under heavy police guard in an undisclosed flat in East Berlin.



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New Swiss interest rates for third time in month

BY JOHN WICKS IN ZURICH

THE BIG Swiss banks have announced an immediate increase in their interest rates on deposits. Interest on 3-5 month deposits will rise from 1.25 per cent to 1.75 per cent, on 6-11 month deposits from 1.75 per cent to 2.25 per cent, and the rate for one year deposits by only 0.25 percentage points to 2.5 per cent.

This is the third time the banks have changed their interest rates within the past month.

Unemployment, by contrast, is falling. It declined by 5.1 per cent last month to a total of 7.704. For the first time since February, the figure was also below the corresponding 1978 level.

The number without work in Switzerland continues to equal only 0.3 per cent of the labour force, and is well below the 9,738 situations vacant registered at labour exchanges at the end of September.

Reuter adds from Bern: Switzerland's trade deficit fell in SwFr 445.1m (£128m) from a slightly revised SwFr 630.1m (£196m) in August, the Federal Customs Office said. In September last year there was a surplus of SwFr 103.6m (£29.8m).

Imports in September rose to SwFr 4.06bn (£1.17bn) from SwFr 3.86bn in August and SwFr 3.41bn in September last year, while exports increased to SwFr 3.64bn from SwFr 3.18bn and SwFr 3.53bn respectively, a spokesman said.

Belgian coalition backed

BRUSSELS — The French-speaking wing of Belgium's Socialist party has voted by a large majority to continue its participation in the six-party coalition government.

At a special congress over the weekend, called because of anger in the party over proposed cuts in social security

spending for the 1980 budget, a motion to continue participation was approved.

The motion expressed support for Socialist ministers in the coalition but also called for campaigns for Socialist policies and solutions "beyond the party's participation in the government" to continue.

A new Defence Minister has been named—Mr. Jose Desmaretz. He succeeds Mr. Paul Vanden Boeynants, who resigned after being elected president of the Social Christian party.

Poland's rulers taken to task

By Christopher Bobinski in Warsaw

AN UNOFFICIAL report just published here says Poland's present problems are due to the ruling Communist party's political methods and the way that authority is wielded in general.

This is despite the many correct decisions which were taken by the leadership in the early 1970s.

The report is based on answers to a wide-ranging questionnaire sent out to members of the "Experience and Future" private study group which is made up of experts in many fields. They include sociologists, journalists, historians and writers, representing a wide spectrum of political views.

The 76-page report issued by Nowa, an unofficial publisher, states that given the complex nature of modern industrial society the system in force in the country was simply inadequate and inefficient. It warns against the twin dangers of "blind revolt" and growing apathy.

The questionnaire was launched after the authorities declined to facilitate further meetings of the 100-or-so-strong study group, many of whom are party members, after the first gathering devoted to social politics was held last November.

The basic aim of the group is to fill the middle ground between outright dissent and resigned conformism. It wants to provide an independent appraisal of Poland's situation and to propose realistic reforms.

Despite the bleak picture drawn by the authors of the report, they stress that the "reform of the political system must not, as a consequence, disturb the balance of power in Europe and must take into account external considerations."

This oblique reference to the fate of the Czech reformers a decade ago and to the Warsaw Pact's political preferences, prefaces the reminder that "it is in the interest of the Soviet Union to have in Poland an authentic and efficient ally."

The reform proposals accept the continued domination of political life by the Communist party. But it argues for a limitation of the powers of the state, for participation in decision-making by the population, and for greater attention to national culture and traditions.

The report also urges respect for the law and prompts the decision-makers to pay greater heed in Socialist values, such as equality of opportunity and equal rights to social care.

There has been a hesitant reaction to the report since it was sent to the authorities in June. A summons for the three members of the editorial panel—who are party members—to appear before a party control commission suggests initial displeasure but the case seems to have lapsed over the summer.

The leadership is possibly wary of antagonising the study group, many of whose members are authorities in their respective fields, nor is it likely to want to stir up a heated debate on issues the report raises by taking steps against the authors.

There are indications, too, that Poland's rulers, faced by a congress early next year, are perplexed as to how to solve the country's problems.

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Advertisement for Laker Skytrain, featuring the text 'NEW YORK SAVE £61* REAL ECONOMY IS RESERVASEAT' and a table comparing fares.

Handwritten text at the bottom of the page: مكنان السفر

EUROPEAN NEWS

Rotterdam tugs back to work as strike ends

BY CHARLES BATCHELOR IN AMSTERDAM
MORE THAN 500 tugboat men in the port of Rotterdam have returned to work, ending an unofficial strike which lasted nearly eight weeks.

Bid to halt work on Dutch uranium plant

BY OUR AMSTERDAM CORRESPONDENT
DEMONSTRATORS BLOCKED the entrances to the Ureco uranium enrichment plant at Almelo in the Netherlands yesterday in an attempt to halt construction work on an extension.

New Iceland government

BY JON MAGNUSON IN REYKJAVIK
ICELAND'S new interim Social Democrat Government took office yesterday, ending a 10-day political crisis.



Nobel physics prize for Pakistani

BY JOHN WALKER IN STOCKHOLM
THE FIRST Nobel Prize ever awarded to a Pakistani Scientist has been won by Professor Abdus Salam, of Imperial College, London.

Turkish polls show big swing to right

BY METIN MUNIR IN ANKARA
SUNDAY'S TURKISH by-elections have seen a significant swing to the right. The Republican People's Party (RPP) of Prime Minister Bulent Ecevit has suffered a severe defeat.

Union protest at Spanish economic plan

BY DAVID GARDNER IN MADRID
SPAIN'S LARGEST trade union, the predominantly Communist Workers Commissions, held a national protest rally here in reply to the Government's economic programme.

Red-carpet reception for Hua

BY DAVID WHITE IN PARIS
HUA GUOPENG, the Chinese Communist Party chairman and Prime Minister, held the first of a series of private meetings with President Giscard d'Estaing here yesterday, after being given a red-carpet reception.



Smiles all round as Hua and Giscard meet.

France may face nationwide strike action

BY TERRY DODSWORTH IN PARIS
THE STRENGTH of anti-Government feeling among rank-and-file trade unionists in France should become clearer this week during a series of disputes planned to affect several of the country's leading industries.

industries from 48 hours to 46, and he has indicated that the national minimum wage will be raised in November or December.

Fiat and unions 'still divided'

BY PAUL BETTS IN ROME
FIAT'S CHAIRMAN, Sir Giovanni Agnelli, and leaders of Italy's three main labour confederations, held talks yesterday in an attempt to diffuse the growing controversy over the Fiat car group's decision to lay off 61 workers and temporarily stop recruitment at Fiat plants.

PHILIPS advertisement for Teletext receivers. Includes images of Philips 674 and 666 Teletext receivers, a hand holding a remote control, and text describing the features and benefits of the technology.

OVERSEAS NEWS

AMERICAN NEWS

Ohira leadership opposed

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

MR TAKEO MIKI, a former prime minister and one of the major Liberal Democratic Party faction leaders, made it clear yesterday that he thought Prime Minister Masayoshi Ohira should step down following the party's near defeat in last week's general election.

to resign after the Liberal Democratic Party did badly in the 1978 election. He apparently feels that Mr. Ohira should pay the same price for last week's unexpected poor result (which gave the LDP 245 lower house seats, later raised to 258 after the admission to the Party of pro-LDP independents).

former premier Takeo Fukuda, on Wednesday. The three "anti-mainstream" factions together contain about 118 Liberal Democratic Party members of the Lower House but another group, that led by Mr. Ichiro Nakagawa, is vociferously hostile to the prime minister and has already demanded his resignation.

of ex-prime minister Kakuei Tanaka (with 48 members). Another 30 or so members of the parliamentary Liberal Democratic Party belong to small uncommitted factions, or to no factions at all. This section of the party constitutes a "floating vote" in the event of a showdown between the Prime Minister and his rivals.

OPEC aid offsets oil bills of poor nations

By Leslie de Quillaci in Kuwait

OPEC AID to developing countries "more than compensated" those countries for the increase in their net oil imports bills from 1974 through 1978, according to a recently released report of the Economics Department of the Organisation of Arab Petroleum Exporting Countries (OAPEC).

The report makes the point that this aid came largely from the Arab members of the Organisation of the Petroleum Exporting Countries. A key word in the report is "net," since it calculates that of the 1,050,000 tons of crude oil and products that the developing countries imported from 1974-76, 53.7 per cent were re-exported, thus reaping benefits for the developing countries "in terms of fees or new oil and product prices."

Inflation could be lowered quickly, Volcker claims

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON



Mr. Paul Volcker

MR. PAUL VOLCKER, the chairman of the Federal Reserve Board, predicted yesterday that the new austere money regime could lower inflation "quite quickly."

He emphasised in testimony to the Senate Banking Committee that it was imperative that energy crisis be stabilised, and that there be no renewed surge in wage demands.

Mr. Volcker insisted, as he had throughout last week, that the anti-inflation effort required the central bank to exercise firm monetary and credit control "indefinitely."

Nonetheless, Mr. Volcker agreed that there were "obvious prospects" for an economic slowdown, particularly in the light of what he described as "significant inventory adjustments" in store.

On Friday, the Government reported that inventories had grown in August by 0.3 per cent, compared with the previous month. In July, they had risen by 1.9 per cent, prompting many economists to believe that companies would sooner or later have to reduce stocks and scale back factory orders.

However, there has also been further evidence of surprisingly strong retail sales, which in September went up by 2.2 per cent. This may mean that the economy is better equipped to take the Fed's new austerity than had been thought—although it must also be noted that the sales figure in September was distorted by the discounts being offered by the car companies and by the higher prices charged by retail petrol concerns.

Car sales have already begun to weaken. Yesterday both General Motors (GM) and Ford reported sharp falls in sales in the first 10 days of this month.

Tokyo 'considers moves to aid yen'

BY RICHARD C. HANSON IN TOKYO

JAPAN'S authorities are believed to be considering steps to relieve mounting pressure on the yen. However, political uncertainties in the wake of last week's general election appear to be making substantive actions difficult.

of \$1.2450 in the spot market with importers leading the heavy dollar buying spree. It is expected that the dollar will be in short supply for at least the next three months as Japan's current account deficits continue to widen.

relation to U.S. interest rates). The setback suffered by Liberal Democratic Party in the recent lower house election, however, is likely to cause delays in decision making.

might help to lure back hot money currently deposited in the Eurodollar market. Controls may also be considered on the interest rates Japanese and foreign banks in Tokyo can pay on dollar deposits held in Japan, pegging them at the much lower fixed rates allowed for yen term deposits (the six-month yen deposit rate is now 5.25 per cent compared with double digit rates on dollar deposits).

Sudan seeks \$100m for refugee aid

By James Buxton

SUDAN IS to launch an international appeal for \$80m to \$100m to enable it to cope with the 400,000 or more refugees from neighbouring African states now in the country.

Israelis seize West Bank land

BY DAVID LENNON IN TEL AVIV

ISRAELI SETTLERS seized 40 hill tops in the occupied West Bank yesterday in an attempt to force the Government to build more Jewish settlements. The settlers declared that they had established 40 outposts which the Government should convert into settlements.

and multiply" demonstration to show the Government how to oppose the creation of a Palestinian state," according to a movement spokesman. The demonstration was organised to protest the cabinet's compromise decision on Sunday to allocate just over 1,000 acres to expand six of the Jewish settlements on the West Bank.

surprising of all was a denunciation of Mr. Sharon by Mr. Meir Amit, a former minister in the Begin government. Mr. Amit, former head of Israel's intelligence service, accused Mr. Sharon of demagoguery and criticised the settlement operations on the West Bank as counterproductive.

Oxfam appeal to aid Kampuchea

BY DAVID DODWELL

MR. BRIAN WALKER, director of Oxfam, yesterday launched an appeal for £25m aid in food and medical provisions for the starving people of Kampuchea. Oxfam plans to mount a five-month programme transporting into Kampuchea 87,000 tons of staple foods and 600 tons of seed.

New Zealand prices rise

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S inflation, according to the consumer price index, rose 8 per cent in the third quarter of the year, the highest jump since 1947. The rise brings the increase for the year to September to 15.2 per cent. Already, Mr. Wallace Rowling, Labour Party leader, has called on the Government to resign, claiming that the record inflation rate for the quarter is due to Government mishandling of the economy.

Conditions inside Kampuchea were described by Mr. Walker as "bleak and miserable." He said the whole population—estimated at 3.3m—will be highly vulnerable to malnutrition and disease until August, even if large quantities of aid start moving immediately. He spoke of widespread evidence of the "unbelievably brutal rule" of Pol Pot.

Mr. Ros Samay, Minister of the Economy and Reconstruction, nevertheless told Mr. Walker: "I give you my solemn promise that all of your aid will be given to the people and will not be given to feed our own military" or the Vietnamese.

Chinese 'raid village'

Chinese troops intruded into Vietnam's northern border provinces earlier this month, causing serious loss of life and property. Radio Hanoi said yesterday, Reuters reports from Bangkok. Soldiers and militiamen had looted a village in the border province of Cao Bang on October 6. It added

U.S. fears dependence on Africa for minerals

BY PAUL CHEESRIGHT

THE U.S. is passing through one of its periodic phases of introspective concern about dependence on overseas sources for a wide variety of mineral products. Such phases tend to occur after a time of supply difficulties and then fade away on the assumption that free market forces will naturally sort out any lasting problems.

To put it another way, it has been realised that the international political climate has changed in the past 20 years and that traditional free enterprise methods of business are no longer adequate. Governments play an increasing part in world minerals trade. The most strident expressions of concern comes from the industry: imports are increasing (they reached a value of \$21bn in 1978), and the Soviet Union has managed to achieve self-sufficiency for products which the U.S. is importing in rising amounts. Therefore, as Mr. Allen Overton, the president of the American Mining Congress, put it:

and that our U.S. Government had yet felt so vulnerable as to promote diversification actively. The single most important materials supplier to the U.S. is Canada, effectively neutralising concern about a domestic shortage of nickel, asbestos, cadmium and tungsten supplies. Major suppliers after Canada are South Africa, Australia, Mexico and Brazil.

alternative source for chromium and platinum is the Soviet Union. The bulk of the U.S.'s cobalt comes from Zaire and Zambia, both countries whose mining industries are facing difficulties. Although substitutes exist for chromium, cobalt and platinum in some of their applications, this is not the case for the major uses of manganese. The U.S. stockpile, used only for national security purposes, is short of some varieties of chromium and manganese, is beneath its inventory goal for platinum and is faced with problems of having to build up cobalt stocks after what is now seen as a rash sell-off earlier in the decade.

US Reliance on Imported Minerals & Metals

Table with 3 columns: Minerals & Metals, Imports as a Percentage of Consumption (1978), and Major Foreign Sources (1974-77). Rows include Chromium, Manganese, Nickel, Asbestos, Tungsten, Cadmium, Cobalt, Platinum, and Copper.

a wider exploration effort abroad and by changing economic circumstances at home. The Bureau of Mines, for example, thinks that domestic cobalt mining could be a possibility if higher prices continue. There is an investigation of a platinum deposit in Montana and the sea-bed offers alternative manganese supplies. For other minerals when U.S. import dependence is great or growing, like bauxite—the feedstock for aluminium—and copper, one of the most widely used industrial minerals, sources are sufficiently diverse to make serious supply problems unlikely. The problem comes with the price which has to be paid for them.

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Manufacturing costs are rising fast.

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BARCLAYS

Airlines offer Paris return fare at £43

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Air France will jointly offer from October 28 a cheap air fare between London and Paris of £43 return, £4 cheaper than the lowest scheduled fare now available.

The new fare will also have virtually no conditions attached to it.

No advanced booking will be required, and passengers will be able to stay at their destinations for a minimum of two nights or up to three months. At weekends, day trips, or a one-night stay, will be allowed. The fare will be available on up to 26 flights a week, or 13 by each airline, equivalent to 1,000 seats a day.

Wide-bodied aircraft will be used—TriStars by British Airways and Airbus by Air France—exclusively from next April, although in the interim it is expected that some narrow-bodied Trident and Caravelles will be used also.

Both British Airways and Air France see the new fare as a major weapon against the bids by the UK independent airlines to introduce cut-rate fares to the Continent from Gatwick, including cheap rates to Paris.

These bids by the independent airlines are to be considered by the Civil Aviation Authority in the UK at a series of public hearings starting on October 24 and lasting until late November. The authority will then have

to study the evidence, and is not expected to announce decisions until the next spring or early summer.

The two flag airlines, therefore are getting in with their own cut-price fare well ahead of any cheap fares the independent airlines may be allowed to offer.

Mr. Roy Watts, chief executive of British Airways, and M. Pierre Grandet, chairman of Air France, said yesterday: "The new low fares this winter continue our common policy, introduced this year, of offering cheaper fares, more seats and improved flight times for passengers."

Mr. John Nott, a member of the British and Commonwealth Shipping Group, can press ahead with its scheduled service between Stansted, Essex, and Brussels.

A bid by British Airways to have Air Anglia's licence, for the route cancelled, has been rejected by Mr. John Nott, Trade Secretary.

British Airways had claimed that the service would affect its own traffic to Brussels out of Heathrow. But after studying British Airways' claim, and Air Anglia's counter-submission, Mr. Nott has ruled that the service improves the facilities to the public from an airport not at present well served by scheduled flights to Continental destinations.

Container company ownership switched

BY DAVID FREUD

OWNERSHIP of the troubled container leasing investment company Edward G. L. Carter and Co. has been transferred to a consultant who advised in the setting up of the company in the first place.

Mr. David Gibson, of Gibson and Co., said yesterday that all the share capital was transferred to him on Friday, for nothing.

Investors with Edward G. L. Carter have not been paid for six months and Mr. Carter is believed to be abroad. The company's problems represent the first major financial crisis of the booming UK container leasing industry.

Mr. Gibson said it seemed that there had been no contact between Edward G. L. Carter and Co. and the inves-

tors for several months. "There is certainly a hell of a mess here," he said.

However, the company had substantial assets and he could not yet be sure whether it would need to be put into liquidation.

"In the meantime, I am trying to realise some of the assets and deal with clients outstanding. There is a tremendous backlog of correspondence. I would have thought it should be possible to make the June payments in a couple of weeks."

Among the assets of the company were "land and buildings, several cars, including a Rolls-Royce, a major holding in a public building and another in a private building and property development concern."

Row over omission from Exchange list

BY CHRISTINE MOIR

HAVARD SECURITIES, a firm of licensed dealers, is to meet its legal advisers later this week to discuss what it can do to refer to the Stock Exchange to the Office of Fair Trading for an alleged abuse of its monopoly.

The issue arises out of the Stock Exchange's rules governing brokers' commissions. These state that brokers must charge full commission to competitors, such as licensed dealers, unless they apply to be placed on a special list of approved dealers to whom discounts can be given.

Mr. Tom Wilmot, managing director of Havard, claims that the list has not been maintained for some time as applications are generally rubber-stamped. However, earlier this year, the Stock Exchange issued the list and reminded brokers not to give discounts to dealers who were not on it.

Havard immediately applied to join the list and gave the Stock Exchange the necessary undertakings regarding its advertising and the methods by which it approached prospective clients. However, the Stock Exchange refused to enter Havard on the list and declined to give its reasons.

The Stock Exchange yesterday said that it was not its practice to give explanations of admissions or refusals to the

list. Refusal is entirely a matter for the discretion of the Council.

Mr. Wilmot says that the Stock Exchange did, however, invite Havard to make a further application through a Stock Exchange member. This, too, was refused but the broker was advised that it had the right to appeal on Havard's behalf.

That right of appeal has not yet been taken up. Instead Mr. Wilmot is to seek legal opinion over whether Havard can ask the Office of Fair Trading to investigate the Council's action. "It highlights one of the ways in which the Stock Exchange is abusing its monopoly," he says.

Mr. Wilmot also complains of "continuing persecution" by the Stock Exchange. In May this year, after an investigation, the Stock Exchange cleared Havard of creating "false markets" in certain shares but announced that it would be monitoring all the firm's dealings. That order is still in force.

The Stock Exchange itself has already registered its disapproval of practice with the OFT and this is to be investigated in 1981 by the Restrictive Practices Court under legislation designed to prevent abuse of monopolies.

Co-op chief to retire

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

SIR ARTHUR SUGDEN, chief executive of the Co-operative Wholesale Society for the past five years, is to retire in September of next year when he will be 62.

Sir Arthur has given the CWS board almost a year's notice of his intention to retire.

The Co-op movement in Britain is facing probably its toughest trading period and the new chief executive will have an important role to play in determining the movement's future.

The CWS, whose annual turnover is more than £1.7bn, is engaged in top-level talks within the movement about

setting up a new, unified co-operative structure.

Sir Arthur joined the CWS in 1932 and his career has included managerial and executive jobs including four years both as head of the society's food business and as deputy chief executive responsible for all trade.

Sir Arthur is a member of the Wilson committee of inquiry on financial institutions, a member of the board of the Co-operative Development Agency and chairman of the Co-operative Bank. He is expected to maintain an active role in many jobs

Tenants' charter grants new rights

BY ANDREW TAYLOR

THE GOVERNMENT yesterday announced details of its proposed tenants' charter which will include giving council house tenants the right to take in lodgers and buy their own homes.

The seven-point charter, announced by Mr. John Stanley, Minister for Housing and Construction, will be included in the Housing Bill due to be introduced this autumn.

Covering all public sector tenancies—inclusive of new towns and housing associations—the charter will grant a number of new statutory "rights."

The most important is the

controversial right of sitting tenants to buy their own homes—although this measure does not so far include housing association tenants.

Other measures will include the security of tenure right of tenants to take in lodgers and sub-let part of their home and the right to improve and decorate their homes, including externally.

Public sector landlords will have to publish a summary of rules and procedures for allocating, transferring and exchanging accommodation—full details of which should be available for inspection. Land-

lords will be expected to consult fully with tenants "on matters affecting their tenancies."

The consultation paper said giving tenants the right to take in lodgers "should help to make extra accommodation available at no additional cost to public funds."

Public sector tenants will be able to apply for improvement grants on the same basis as owner occupiers. Landlords will not be able to increase rents simply on account of improvements if the tenant has either paid or received a grant for the improvements, said Mr. Stanley.

Mr. Neil McIntosh, director of Shelter, the organisation for the homeless, said last night: "At long last council tenants are to be free from arbitrary eviction, free from the medieval practice of restraint and given the right to a written tenancy agreement. These are historic measures."

The charter was also welcomed by the National Consumer Council and the London Boroughs Association. Mr. George Tremlett, leader of the GLC housing policy committee, said: "We welcome the principle of these proposals and give them our support."

BR plans 20% fares rise from New Year

BY LYNTON McLAIN

BRITISH RAIL'S plans for an increase in passenger fares of up to 20 per cent from January are to be announced before the middle of next month.

The increase, if it is agreed by the British Rail Board, will be the largest single fares rise imposed on passengers.

British Rail is, however, reluctant to give a date for the announcement, because it would lose revenue from passengers renewing long-term season tickets at current rates ahead of the increases.

Traffic fares rose by an average of 9 per cent in January and a large increase became almost inevitable after British Rail's decision not to raise fares again this autumn.

British Rail is well aware of the possible impact higher fares may have on the growth of passenger business. Fares rose by 62 per cent in 1975-76 and the number of passenger journeys fell by 4 per cent. Last year fares went up by an average of 14.5 per cent and passenger journeys rose by 3 per cent, giving passenger revenue of £762m.

The British Rail Board, which is at present considering the likely level of fare increases, is also taking account of the impact of falling standards, particularly where this affects Inter-City

services.

British Rail acknowledges that the quality of some services, including the Inter-City 125-miles an hour services, is certain to fall next year as a result of staff shortages, and the impact on ageing operational equipment—such as signals—of Government ceilings on new investment and subsidies.

Staff shortages have already led to the cancellation, without notice, of advertised breakfast and buffet services on early morning Inter-City 125 services from London to Edinburgh. Passengers have had to endure over five hours of travel without a drink.

British Rail has denied that there has been pressure from the Government to restrain the next round of fare increases. It is understood, however, that Ministers have called on BR to keep all increases to a minimum by improving efficiency and raising productivity.

£18m orders

BRITISH INDUSTRY earned over £18m in August from orders arising from grants and loans made to developing countries under the aid programme administered by the Crown Agents.

Shell risks qualified auditors' report

BY BARRY RILEY

SHELL TRANSPORT and Trading, one of the two parent companies of the Royal Dutch/Shell Group, risks a qualification to its auditors' report over the accounting treatment of deferred taxation.

According to Mr. Henry Gold, Shell's head of accounting research: "We face this possibility."

The problem arises because the new UK accounting standard on deferred taxation, SSAP 15, becomes obligatory for financial statements for years beginning on or after January 1, 1979.

The Shell group's 1979 accounts will have to be drawn up in accordance both with

SSAP 15, and with the corresponding U.S. accounting standard, which requires something close to full provision for deferred tax. In the UK, the rule is that deferred tax should not be provided for unless it will have to be paid in the foreseeable future.

Mr. Denis Garrett, who next month becomes senior partner of Shell Transport's auditors Ernst and Whinney, said the Shell group must be coming to a time when it would have trouble with all the various bodies who issue accounting standards.

"Obviously we are going to come up against a problem," he

said. It was likely to arise next January.

A strong call for international harmonisation of accounting and disclosure standards was made yesterday by Mr. Dirk de Bruyne, president of Royal Dutch Petroleum and a group managing director of the Royal Dutch/Shell Group.

He said that, although some success had been achieved in the development of national accounting standards, "the curious result has been that, internationally, differences have become institutionalised and in some respects wider. The prospects, unless something is done

to encourage greater international harmonisation, are that the position may grow worse."

Speaking at a conference of the Financial Executives Institute in Atlanta, Georgia, he criticised the way that accounting requirements were determined in some countries solely by fiscal requirements. He claimed that in many other cases the approach to accounting standards had been "too pragmatic," with insufficient theoretical underpinning. He exempted the U.S. Financial Accounting Standards Board from this criticism.

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UK NEWS

Nexos buys way into word processor market

BY JOHN LLOYD

NEXOS, the electronic office equipment subsidiary of the National Enterprise Board, yesterday announced that it had acquired Ultronic Data Systems, a subsidiary of Dowty, for under £1m. UDS specialises in the marketing of word processors and fast printers made by the Ricoh company of Japan. Nexos, a marketing and research organisation, plans to move into manufacturing equipment if it can get sufficient sales volume. The acquisition, which needed the permission of Sir Keith Joseph, the Industry Secretary, marks a further stage in Nexos's rapid move to offering a complete range of equipment for the electronic "office of the future" and secure a British stake in what is seen as a booming market. There is little British in its new acquisition, however. Mr. Muir Moffat, managing director, said the acquisition was made because the company had "an urgent need" to get into the word processing market in the UK. "The market is moving so quickly that word processing companies are now locking up the key customers. Not to be in the market now would be a big disadvantage." Mr. Moffat said that the Ricoh word processor—known as the C-Text—was complemented the Logica VTS system, already marketed by Nexos. The company has taken over UDS's five regional offices and 100 staff. It forms the basis of Nexos UK, which has been charged with building up domestic sales as a strong base for exports to the Continent. Mr. Moffat said that taken together, Logica and UDS word processor sales accounted for 9 per cent of the UK market last year, and about 19 per cent this year. He thought that the growth had resulted from a drop in sales of IBM magnetic card typewriters. Nexos now has agreements with the UK company, Muirhead, to market its facsimile equipment, with Logica providing word processing systems and computer programmes, and the U.S. company, Delphi, an Exxon subsidiary, licensing the Delta communications management computer. Mr. Moffat said that he would seriously consider moving into the manufacture of word processors, and other equipment, if the company could generate enough sales to justify the move. Further acquisitions are likely. Mr. Moffat said that the obvious area for expansion was "work stations," where voice, text and data can be both recalled and communicated through telephone, screen and keyboard. "There is no product like that on the market yet, but there is nothing difficult in it. That is why we wanted the Delta, because it could be the centre of such a system."

Construction industry urges Heseltine to protect workload

BY ANDREW TAYLOR

CONSTRUCTION INDUSTRY leaders will today urge Mr. Michael Heseltine, Environment Secretary, to support their campaign to exclude the industry from further public spending cuts. The "Group of Eight," representing construction employers and trade and professional associations, asked to meet Mr. Heseltine before final decisions were taken on the details of the next public expenditure White Paper, due to be published shortly. The group will ask Mr. Heseltine to press the Cabinet to exempt the industry from further cuts. It also wants an emergency sewerage repair programme to be introduced. "The group said yesterday: 'Construction has a vital part to play in the Government's policy of stimulating the production side of the economy. Construction is investment, producing the basic infrastructure for the economy. It creates mainly domestic goods and services and the jobs it does use are raw materials, not manufactured goods. It has a huge contribution to make to national energy conservation and it has an outstanding export record.'



Mr. Michael Heseltine

The volume of orders for overseas work by British consultants and contractors has more than quintupled from £340m in 1972-73 to £1.9bn in 1977-78. But the group said this record could not be sustained without an adequate home market. It will today warn Mr. Heseltine that any further cuts on civil engineering programmes will have serious repercussions for the industry and reduce its capacity to meet the nation's future needs. The group will also ask Mr. Heseltine to arrange discussions between construction industry bodies and Government Departments once the public expenditure White Paper has been drawn up. In addition, it will urge the removal of "unreasonable impediments" to private sector demand. This will include the streamlining of structure plan and development control procedures. The group will also call for more Government action on inner urban areas.

Nott attacks excessive consumer legislation

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A STARK WARNING attack on the effects of "excessive consumer legislation" was made yesterday by Mr. John Nott, Trade Secretary. Mr. Nott's speech, given at a private lunch in London, surprised consumer groups with the vehemence of its criticisms. The Consumers' Association, in spite of being singled out for criticism by Mr. Nott, said that it should be making a generalised attack on consumer "traps and legislation at this time." Mr. Nott said that he associated "rampant consumerism" with a proliferation of legislation which is of dubious benefit to most people and a considerable drain on the resources of trade and industry. He added that the Govern-

ment's Competition Bill, now before Parliament, would "act effectively" to protect the interests of the consumer, as well as helping small businessmen against restrictive practices of larger established concerns." Both the National Consumer Council and the Consumers' Association last night called for Mr. Nott to be more specific in his criticisms of the consumer movement. The NCC said that there was still much need for providing consumer advice and information, especially in the nationalised industries. There was also some surprise at Mr. Nott's decision to make his strongly worded speech, since consumer protection is generally left to Mrs. Sally Oppenheim. Mrs. Oppenheim, however, is expected to emphasise Mr. Nott's theme in a speech in London today.

First day of Pottesman sale totals £79,333

SOTHEBY'S YESTERDAY started disposing of the collection of incunabula and 18th century printed books gathered by Solomon Pottesman, the antiquarian book dealer, who died in 1978. The first day totalled £79,333, the top price of £2,800 paid by Quaritch for a first edition, of 1498, of "Summa Confessionum" by Antoninus and the same sum paid by Kraus for "De Nativitatibus" by Firmicus Maternus. More important items will be sold today. At Christie's, Chinese ceramics brought in £84,385 with a highest price of £3,800 for 20 assorted paintings. At Christie's South Kensington the rising silver prices were apparent in the £980 paid for a canteen of 100 items weighing 117.50 oz. Stanley Gibbons has just paid £100,000 for a collection of Chinese "busted" bonds. These were gathered together over the past two years by a City stockbroker who paid £25,000 for them, including a record price last month of £14,000 for the Chinese Imperial Government 4 1/2 per cent Gold Loan £500 bond issued by the Deutsch Asiatische Bank. This is regarded as the third largest private collection of such bonds in existence. The owner intends now to concentrate on Russian and German issues. Stanley Gibbons has already received three bids for the collection but intends to split it and sell some at auction and the rest privately. It is the highest price ever paid for a single collection of bonds which numbers 350 items.

SALEROOM

BY ANTHONY THORNCROFT

'Improve industry' call

COMPANIES NEED to make big improvements in the next two years to avoid industrial decline, according to Lord Trenchard, Minister of State for Industry. Speaking in London last night at the centenary dinner of Renault, the chairman, he said he hoped progress could be made fast, because there was "a growing sense of realism on the part of management and trade unions, particularly at factory floor level." He also called for British industry to work to increase its share of world markets. "In the case of the majority of the companies I have visited since becoming a Minister, management know what needs to be done to become more internationally competitive."

Glass recycling scheme extended

BY PAUL TAYLOR

LAST YEAR householders threw away more than 5bn glass bottles and jam jars. The Glass Manufacturers Federation has launched a scheme to recycle some of this waste glass, worth up to £21m a year, and cut energy costs and waste disposal charges. The federation yesterday extended its bottle bank scheme to cover the London Borough of Brent—the first London borough to join a national campaign which could produce major cost savings for both the UK glass industry and local authorities.

In 1978, Britons spent over £316m on glass containers—equivalent to about 1.9m tons of glass. Almost 90 per cent of it found its way into household dustbins, and from there on to council rubbish dumps. The federation estimates that recycled glass has a value of about £14 a ton, in addition to the saving of between £3 and £4 a ton in waste disposal costs. Energy crisis. If all household glass was recycled, the industry would also save the equivalent of about 45m gallons of oil a year. Although the scheme has been given added impetus by the renewed energy crisis, the federation started bottle banks two years ago in Oxford and Barnsley. Specially designed disposal skips for waste glass have been introduced in 33 areas in the past two years. About 21m glass containers have been reclaimed. It is estimated that in London alone, the scheme could earn local authorities— which organise the collection points—about £2.45m a year and save the UK the equivalent of 5.2m gallons of oil a year. The bottle bank campaign will be extended to Barnet and Greenwich later this year, and could be introduced to 200 cities and towns throughout Britain over the next two years. It could give glass container manufacturers an important market advantage over manufacturers using other materials—a factor that has not escaped the attention of the major glass container producers.



THE ISLE OF MAN has won the right to run its own customs and excise service. An agreement transferring responsibilities from London to Douglas was signed yesterday in London by Mr. William Whitelaw (left), the Home Secretary, for the UK Government, and Mr. Percy Radcliffe, Chairman of the Isle of Man Finance Board. The agreement comes into effect on April 1 and brings to an end two centuries of British customs presence on the island. Manx and British customs duties and VAT levels are currently kept at the same level. There will be no immediate changes in the existing customs and excise revenue-sharing arrangements between the two countries. However, the Isle of Man now has the power to change the rates of duty. It merely has to give three months' notice to London that it intends to do so or six months if it wants to end the agreement altogether.

Minister says Iraq is safe for businessmen

BY LISA WOOD

BRITISH BUSINESSMEN can safely travel to Iraq if they obey the laws of the country, Mr. Cecil Parkinson, Minister of State for Trade, said in London yesterday. He has just returned from a visit to the Baghdad Trade Fair. He said he was confident that there was now a major improvement in UK-Iraq trade relations and that there was a change in the political atmosphere as far as trade with Britain was concerned. UK companies expected orders worth more than £25m to result from attendance at the fair. More than 30 British businessmen exhibited goods at the fair. Mr. Parkinson's visit arose from efforts to improve both economic and political links with Iraq. Relations between the two countries deteriorated sharply in July 1978, when Britain expelled 11 Iraqi diplomats and officials after the murder in London of a former Iraqi Prime Minister.

In retaliation, Iraq expelled eight British diplomats. Shortly afterwards it arrested Mr. Christopher Sparkes, the local Wimpey contracts manager. In May this year he was sentenced to life imprisonment on charges of bribery and economic espionage. A second British businessman, Mr. John Smith, the managing director of Hestair Dennis, of Guildford, Surrey, was arrested this July on bribery charges. He has not yet been tried. As part of Iraq retaliation, a business embargo was imposed. This was lifted in July at the time of the visit of Lord Carrington, the Foreign Secretary. British exports in 1978 totalled £218.5m, a rise of 29 per cent over the previous year. Imports, mainly oil, were worth £497.3m. However exports have been adversely affected this year by the embargo. The Minister said that Iraq was a no-risk area for British exporters as far as payment was concerned. He did not speak to the Iraqi Ministers directly responsible for the arrest of Mr. Smith and Mr. Sparkes, but raised the matter with the Iraqi Minister for Trade, who was his host. Mr. Parkinson said: "I said I hoped their cases would be considered since the situation was causing anxiety and concern and deterring our businessmen from going there." "The Minister said he would make inquiries and consult with appropriate Ministers and inform me of the situation." An Iraqi convicted of bribery is liable to the death sentence.

When?

A decision to expand or relocate industrial and commercial activity will depend on answers to a whole range of vital questions. As vital as any will be when and how soon can new properties and sites be made available. In Northampton the straight answer is now. We are on the M1, midway between London and Birmingham with 50% of Britain's industry within a 100 mile radius. Office buildings in the town centre Greyfriars House, 160 000 sq ft of offices above the new bus station, Belgrave House 64 000 sq ft forming part of the Grosvenor Shopping Centre, Compton House, 27 000 sq ft in a prime position, Woodlands House, 13 700 sq ft of prestige offices. Other properties from 500 to 10 000 sq ft. Office sites in Northampton In the town centre an important site of 3.5 acres for a development up to 300 000 sq ft. Two sites for 30 000 sq ft. At Weston Favell District Centre, sites for up to 100 000 sq ft. Moulton Park provides 83 acres of campus sites in a rural setting. Unit factories and industrial sites Brackmills: 1 unit of 18 400 sq ft and 1 unit of 21 500 sq ft. Reservations are also being taken for Phase 5, comprising 14 units of 5000 sq ft and 2 units of 12 500 sq ft. All have mains services, parking, offices and central heating. A wide range of industrial sites are available on four employment areas. In the search for the right business location straight answers to straight questions are a must. Let us know your requirements.

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'Publish exam results' move

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

STATE SECONDARY schools could be required to publish details of their results in public examinations, as a result of the Education Bill to be introduced to Parliament this month.

Although publication of the results would not be specifically required by the Bill, it would empower the Secretary for Education and Science to direct what information would have to be provided to help parents choose their schools.

The clear intention to specify exam results as part of the information to be published is challenged by the National Union of Teachers during the fortnight or so remaining before the Bill is introduced. The union, which opposes publishing exam results because it claims they are an unfair basis for comparing schools, is to put its case to Lady Young, Minister of State with responsibility for schools.

The Government apparently considers this information a necessary aid to parents' choice. But they lose their "last-resort" power, currently enforceable because of a loophole, to compel a local authority into sending

ing their child to a particular school if the Bill becomes law. This loophole would be closed as part of the Bill's measures to enable local authorities to close schools whose running becomes uneconomic as the pupil population diminishes.

Local authorities would be able to oppose parents' choice of a particular school on the grounds that the choice is likely to prejudice efficient education.

Parents would be able to appeal against a local authority's allocation of their children to a school, but the appeals machinery would probably not be fully independent, as the Conservatives at first intended.

Arrangements under the Bill would allow the appeals committees to have a slight majority of local authority members plus a number of independent "experts," possibly including teachers.

Parents would, however, be entitled to a minimum representation of two elected members on a school's governing body, with a similar minimum entitlement for the school's teachers.

Neave suspects 'in Eire'

THE MEN suspected of having murdered Mr. Airey Neave, the Conservative MP, are living in the Republic of Ireland, according to latest intelligence reports. Scotland Yard chiefs are hoping that if new anti-terrorist arrangements are made between the British and Dublin governments they will be able to bring the men to trial.

Commander Michael Richards of Scotland Yard said yesterday at the Inquest at Westminster into Mr. Neave's death: "This inquiry is still very much in action."

Mr. Neave, who was Tory spokesman on Northern Ireland, was killed by a car bomb as he drove out of the House of Commons car park on March 30.

His widow, Lady Airey Neave, sat calmly through the 30-minute hearing yesterday. The coroner, Dr. Gavin Thurston, returned a verdict of unlawful killing.

Mr. George Berriman, an explosives expert of the Royal Arsenal, Woolwich, said Mr. Neave was killed with a highly sophisticated bomb, attached to his blue Vauxhall with one or two magnets.

A wrist watch was used to prime the device at a set time. The bomb was activated by a mercury tilt switch.

IRA 'backed by 1 in 5'

BY OUR DUBLIN CORRESPONDENT

A FIFTH of the Irish Republic's population supports, to some degree, the motives of the IRA, but less than half of these support its methods, according to a survey published yesterday by the Irish Economic and Social Research Institute.

The general conclusion seems to be that traditional attitudes remain as strong as ever. Sixty-eight per cent believe the best solution to the present violence is a united Ireland. Seventy-two per cent believe in unilateral British withdrawal from Ulster, regardless

of what the people in the province want. The fact that a majority—59 per cent—believes such a withdrawal would lead to more violence is interpreted in the survey as a sign that anti-partition sentiment is so strong it overrides other considerations.

Sixty-three per cent believe the Irish Government should take stronger measures against the IRA and almost half would support extradition. This may help Mr. Jack Lynch, the Irish Prime Minister, in taking a tougher line in the

wake of the Mountbatten killing. The common view that people in the Republic take little interest in Northern Ireland's affairs gains credence. Substantial differences emerge in attitudes between Catholics in the Republic and their co-religionists in Ulster.

Particularly striking is the lack of support for power-sharing south of the border. Only 4 per cent chose this option, compared with 39 per cent of Ulster Catholics. Almost 50 per cent of Catholics

in Northern Ireland would be happy to stay within the UK, according to the survey. Although there is evidence that the idea of a Federal Ireland is gaining ground, in general the findings can only encourage hardliners on both sides. In the Republic, it is bound to strengthen the Republican wing in the ruling Fianna Fail Party. The party recently suffered a bruising encounter with Mr. Lynch, but may now be persuaded to continue its campaign to have the Government adopt stronger anti-partition policies.

Cost doubts on state protected pensions

BY ERIC SHORT

IN CONDITIONS of economic adversity, no state could possibly protect the large section of the community receiving state and public sector pensions, according to Mr. Douglas McKinnon, deputy general manager of the Scottish Mutual Life Assurance Society.

Mr. McKinnon expressed doubts on the present method of protecting these pensions in his presidential address to the Faculty of Actuaries in Edinburgh last night.

He said the state guaranteed that its pensions would go up in proportion to the rise in earnings. Public sector pensions were also protected.

However, the cost of this protection could grow so much that it became unaffordable in the event of economic decline.

He also questioned the current use of the Retail Price Index in revising pensions. When the taxation system changed emphasis from direct to indirect taxation—as was happening with the present Government—pensions went up because of the rise in the index, even though the changeover had a neutral effect.

He suggested the new Tax and Prices Index quoted by the Central Statistical Office would be more appropriate.

Computer aids Olympics training

BY ELAINE WILLIAMS

SOME British athletes may get the chance to train for the 1980 Olympics by computer.

A system has been developed in the U.S. by a company called Computerized Biochemical Analysis to analyze scientifically the movements of the body. This enables the company to work out what has to be done to perfect an athlete's performance.

The system is being used at a research centre in California by the U.S. Olympic team to improve field and track event performance and British

coaches have shown interest. The U.S. has said that any foreign athlete would be welcome to visit the centre.

Dr. Gideon Ariel, the company's research director, is visiting Europe to present the results of his research, which also has many medical applications.

Basically, the system involves filming an athlete's movements using very high speed film. After processing it is broken down frame by frame, so that the forces generated by key joints can be calculated.

The relative position of the joints is then stored in a computer memory for each frame. This digitising of the information shows up on a television screen as stick-like figures. From this the computer can work out the velocity, direction, acceleration, angles and forces generated by the body segments.

This then identifies a person's strengths and weaknesses and, possible ways in which improvement can be achieved.

Dr. Ariel has also used the system to improve the design of sports equipment, such as tennis rackets and shoes.

He has said that there are many other important areas in which the system can be employed. It is being used in research for government agencies into improved industrial and consumer safety, such as in analysing car crashes.

Other applications include analysis of human performance in industry, the study of degenerative locomotor patterns in muscular dystrophy and the research and design of children's toys to avoid injury.

HTV fights to keep joint franchise

BY ROBIN REEVES, WELSH CORRESPONDENT

HTV (Harlech Television) wants to maintain Wales and the west of England as a single commercial television franchise area. It is trying to defuse attacks on the company for its opposition to creating a Welsh language television service on the fourth channel.

The Welsh language issue—regarded by HTV as an unwarranted imposition—has caused widespread dissatisfaction. Welsh language supporters believe there is a totally inadequate TV service for the half-a-million Welsh speakers.

The Independent Broadcasting Authority's review of the existing 14 franchise areas is only a few months away. HTV has published a 19-page booklet arguing that the scale of services which Wales will require, in both English and Welsh, to meet the needs of the fourth channel, demands the strongest base.

The joining of Wales and the west of England has created such a base to the mutual advantage of both areas," the company says.

HTV is at pains to defend its public support for a recent decision by Mr. William Whitelaw, the Home Secretary, to abandon a six-year-old plan to develop a Welsh language service by concentrating both BBC and HTV Welsh output on the new fourth channel. The Government is now proposing that the two broadcasting organisations should each carry Welsh output on one of their two channels.

Deep anger at this last minute reversal of policy has led to accusations of treachery against HTV, the IBA, and the Government. Broadcasting studios have been invaded and Conservative Party offices throughout Wales daubed with paint by the militant Welsh Language Society.

Mass campaign

Last week, the principal of Swansea Theological College and two university senior lecturers (one a former BBC department head) protested by breaking into a West Wales transmitter and blacking out programmes to some 600,000 viewers. The Welsh Nationalist Party is threatening to launch a mass campaign of withholding television licence fees.

HTV argues that, since the fourth channel will now be part of the commercial television system, to put all Welsh programmes on the fourth channel would seriously reduce the Welsh language audience, infuriate non-Welsh speakers and "amount to an unmitigated disaster."

Even so, there remains a body of opinion which feels strongly that the single channel solution is the only way of reducing friction arising from Wales's bilingualism.

Competition

The company has plans for a multi-million pound investment in a television centre near Cardiff, and studios in Mold, North Wales, and Carmarthen, West Wales. The plans depend on the financial strength built up over the years because the two areas have been linked, it says.

"A Welsh company would find itself facing competition rather than full co-operation from any new and separate west country company, in the same way that we now face competition from other ITV companies in north-east Wales and Mid-Wales" (Granada and ATV).

Public meetings held by the IBA in both Wales and the west of England have produced vociferous opposition to maintaining the present link between the two areas for franchise purposes.

Foster Wheeler plans overseas expansion

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

FOSTER WHEELER, the UK process plant contractor, has formed a new construction company to expand its activities in the "construction only" sector of large overseas projects.

The new organisation, to be based in Reading, will be made up of new construction companies based in the U.S., Italy, Spain and France, where Foster Wheeler is already well established. Foster Wheeler World Services (FWWS) will operate independently of its parent.

Foster Wheeler's order book is split evenly between UK and overseas projects. Mr. Donald Newbold, chairman of FWWS, said yesterday: "The restructuring of our construction organi-

sation will enable us to utilise our disciplines and skills more fully and over the broadest range of construction resources compatible with today's fiscal and political factors."

Emphasising the experience that the Foster Wheeler Corporation (based in the U.S.) has had in energy projects, Mr. Newbold said that the new organisation had been formed to take advantage of the development of energy resources, other than oil, over the next 20 years. He mentioned in particular the development of nuclear power stations throughout the world and liquefied natural gas plants, where FWWS will tender.

Insac helps win U.S. software contracts

BY ELAINE WILLIAMS

INSAC, the software marketing subsidiary of the National Enterprise Board, has been successful in helping two British software companies win development contracts in the U.S., it announced yesterday.

Computer Analysts and Programmers has won a contract with a major computer manufacturer for the development of a new machine. If the study phase is completed successfully, the company will go on to carry out the design and implementation.

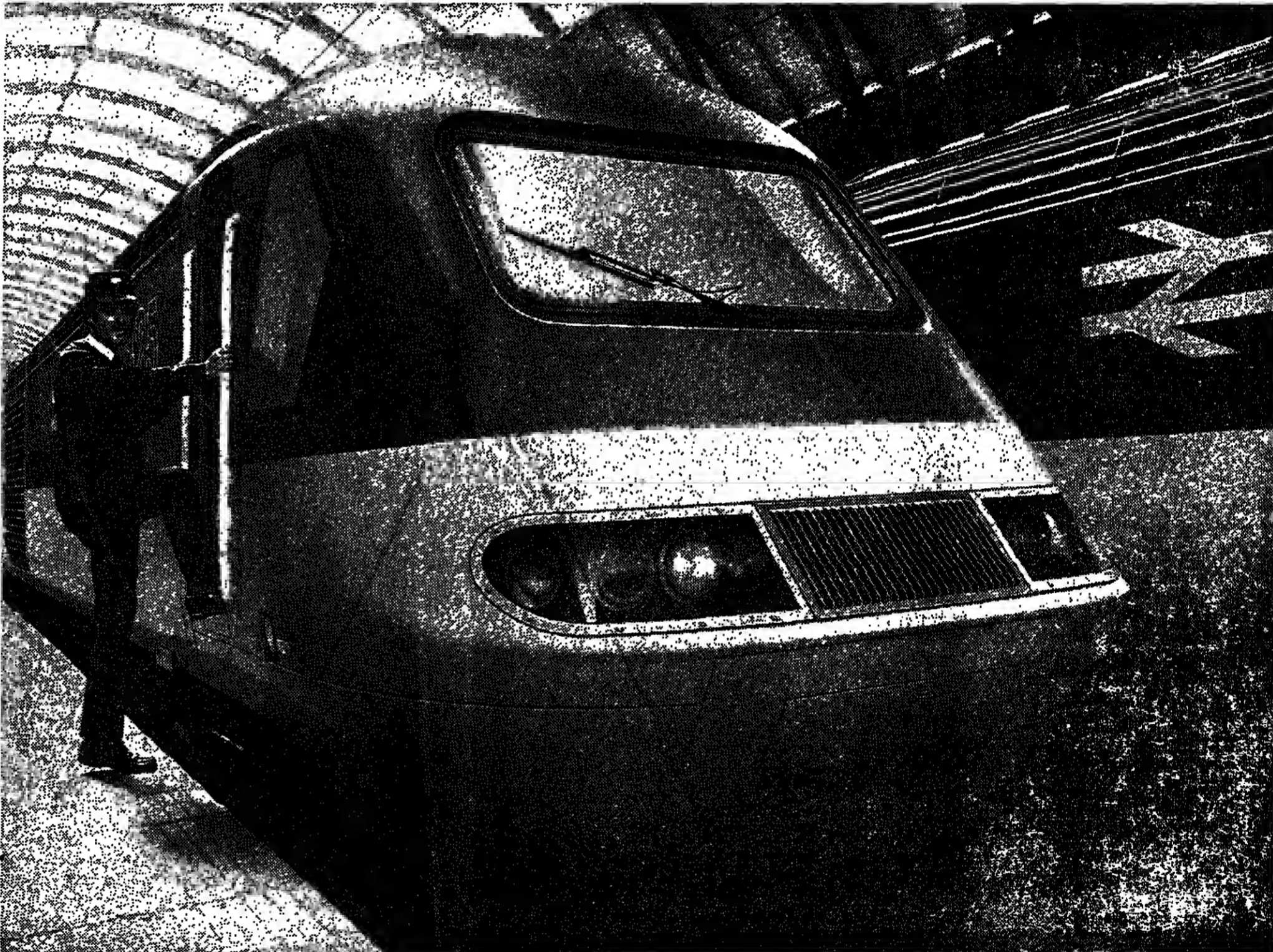
The company has received financial and marketing support from Insac and is sending three of its staff to set up a permanent marketing organisation in New York in three weeks. Computer Analysts hopes to win at

least two contracts in its first three months of operation.

Computer Analysts' main expertise lies in banking systems and it will be aiming for mainly this market. The agreement it signed was with Insac Products, the investment banking side of Insac's activities.

The other company, Systems Designers, has developed a range of viewdata, the computer information service, for Insac. It will be trying to gain entry into the communications and defence markets.

Insac Products has spent £1.4m in support of its member companies' projects covering development contracts, trade deals and marketing activities.



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UK NEWS-LABOUR

Murray plea for joint action

A JOINT approach is the only way to solve Britain's economic and industrial problems, TUC general secretary Mr. Len Murray said yesterday.

He said he hoped the new strategy which had been introduced into the industrial debate would not threaten the tripartite structures developed within the National Economic Development Council.

Mr. Murray was speaking to trade unionists, businessmen and Government officials at the conference of the Office Machinery Sector Working Party in London.

ACTT will put ITV deal to shop stewards' vote

BY GARETH GRIFFITHS, LABOUR STAFF

NATIONAL NEGOTIATORS from the Association of Cinematograph, Television and Allied Technicians yesterday decided not to recommend a two-year 45 per cent deal, although a meeting of shop stewards and union delegates tomorrow is expected to give its approval.

The union's national negotiating committee met yesterday to discuss the deal which includes the introduction of new technology. Mr. Alan Sapper, ACTT's general secretary, said it had been decided to leave the decision as to whether the union recommended the offer to a meeting of the television shop.

Shop stewards and delegates from the 15 union shops or branches will decide tomorrow whether to recommend acceptance or make no recommendation at all. Mr. Sapper said the ACTT negotiators had already rejected the idea of rejecting the deal.

About 6,000 members of ACTT the most crucial union in the dispute, in the ITV companies will be asked to vote on the offer after Wednesday's meeting. The union expects a result within a week. The other two unions involved in the dispute, which has blacked out ITV for 10 weeks, the National Association of Theatrical, Television and Kine Employees and the Electrical and Plumbing Trades Union will also be asking their members to vote this week on a new pay offer.

Arbitration plan for Paddington

BY OUR LABOUR STAFF

BRITISH RAIL proposed yesterday that the dispute which has led to three 24-hour strikes at Paddington station in London, should be referred to arbitration.

The arbitration would examine whether the machinery of negotiation affecting the dispute had been implemented. The dispute is over management attempts to reduce the number of parcels staff from 176 to 120 and to alter working rosters.

The executive of the National Union of Railwaymen was met last night to consider its response to the proposal, though some officials were suggesting that feelings after three strikes might be too hard to settle for arbitration.

Burmah pay deal

BY NICK GARNETT, LABOUR STAFF

BURMAH-CASTROL has negotiated a pay deal with a large section of its white collar staff which includes a special payment as an inducement to start talks on improved productivity.

The settlement with the Association of Scientific, Technical and Managerial Staffs involves an increase of 16 per cent on salaries and an extra days holiday for staff with more than 5 years service.

BL woos the workers

By Arthur Smith, Midlands Correspondent

BL LAUNCHED "a massive communications exercise" yesterday to win support from the workforce for the company plan to close plants and shed more than 25,000 jobs.

Managing directors of the principal subsidiary companies will be meeting groups of workers over the next week to brief them on the company's strategy. At Loughborough, Birmingham workers were shown prototypes yesterday of the two new cars, the Mini Metro and the LCI0.

The campaign will be stepped up if, as expected, Sir Michael Edwards, the BL chairman, gets backing tomorrow from his board to conduct a ballot of the 164,000-strong workforce.

Sir Michael believes the employees will overturn the decision of senior shop stewards to fight his proposals.

The unions, in a move to widen support for the "campaign of resistance," yesterday staged meetings at Birmingham, Oxford, Glasgow and Preston. Backing for their demand that assembly capacity should be retained by BL is sought from local authorities, component suppliers and Members of Parliament.

Warning of return to 'the lump'

BY GARETH GRIFFITHS, LABOUR STAFF

THE TUC has told the Government that proposals for local authority direct labour organisations outlined in a consultation paper in August could mean the resurgence of the "lump" - labour-only subcontracting - in the building industry.

A memorandum from the TUC's construction industry committee to the Department of Environment yesterday said the consultation paper expressed a hostile attitude to direct labour organisations and was basically misguided and lacking in balance.

MSC seeks more use of schemes

By Gareth Griffiths

THE Manpower Services Commission yesterday urged employers to make more use of its programmes for unemployed young people with educational disadvantages and youths from ethnic minorities.

Two reports published yesterday, suggest there should be more imaginative schemes for both groups and a wider range of employers and sponsors taking part in both the Youth Opportunities Programme and the Special Temporary Employment Programme.

The report on ethnic minorities, produced jointly with the Commission for Racial Equality, suggests that local authorities and further education colleges play a more active part in providing courses and schemes for young blacks.

Racial discrimination is still a major factor when young blacks seek work and at most levels of educational achievement they are likely to be unemployed than whites with similar qualifications.

Union recruits N. Sea divers

THE National Union of Seamen will have to organise them, we will have to organise them, and get a recruiting campaign off the ground," said Mr. Harry Bygate, NUS Aberdeen official.

Mr. Bygate said that the divers came from a broad spectrum of the companies operating in the North Sea and were concerned about continuity of employment, safety aspects and pay rates.

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"My car couldn't have chosen a more desolate spot to break down. I abandoned it with ill-disguised anger and started walking.

I had been going for maybe half an hour when a Volvo estate drew up beside me. Such is my dislike of the car, that had it not been raining I would have waved the driver on."

Let me start by admitting to a certain amount of irrationality when it comes to cars.

I have always bought cars that are faster than they need be, more luxurious than they should be and more expensive than they've any right to be.

In short, when on four wheels, I am a confirmed seeker after pleasure.

In the opposite corner, I always imagined were Volvo. Austere, frugal and eminently sensible.

The kind of car your mother would say was good for you.

Judge then my feelings as the Volvo stopped beside me on that rain-soaked road.

The driver was not some elderly hill farmer but a man I would not have put much above thirty-five.

"Can I give you a lift?" he enquired as he held open the door. "I passed your car down the road—beautiful looking machine."

As I slipped into the passenger seat I noticed that I was sitting on real leather. (The first of many discoveries I was to make that evening.)

"Let me introduce myself, my name is James Durban." When on the defensive, I invariably hide behind formality.

My rescuer was more relaxed and told me that his name was Tony and that he had a house some twenty miles away.

"Have you driven far?" I asked.

"About 300 miles" he answered. "But it's very easy in the Volvo. The 265 is a very long-legged car."

"You must have spent a fortune on sound insulation" I said with an ear to the uncannily quiet performance of the engine.

"Not a bit. It's a 6-cylinder engine. 2.7 litres with fuel injection and a light alloy block. And as you can hear very quiet."

The conversation was taking a turn that displeased me. As he steered the car expertly through the narrow country roads I attempted to steer the conversation towards more general topics.

"What do you do?" I asked.

"I'm a writer and I deal in antiques. I've just bought the coffer you see in the back"

I turned round and noticed that the rear seats had been folded flat and that we were travelling with a beautiful oak chest at least 6 ft in length.

By now I was beginning to go through that most uncomfortable of human emotions — a change of mind. However, I wasn't about to give up without a struggle.

"Yes a jolly practical car the Volvo, but it's a bit short on the creature comforts don't you think?"

Looking back I'm surprised he didn't turf me out there and then. Instead, he simply defeated me with facts.

"Well," he began, "there are a few standard features you might appreciate. Like air-conditioning, electric windows, power steering, heated driver's seat..."

"How thoughtfully Nordic" I muttered gracelessly.

He continued with a light smile, "Metallic paint, electrically operated door mirrors, heated rear window, central locking."

I interrupted him. "Alright, point taken. And I suppose you still haven't come to things like a cigar lighter, electric clock and a light in the glove box?"

"Exactly" he replied. "The Volvo has all of those, not to mention stereo speakers in the front doors."

The rain had begun to ease and as my clothes dried out I recovered a little of my customary good humour.

"Well, it's certainly more comfortable than I thought, is it expensive?"

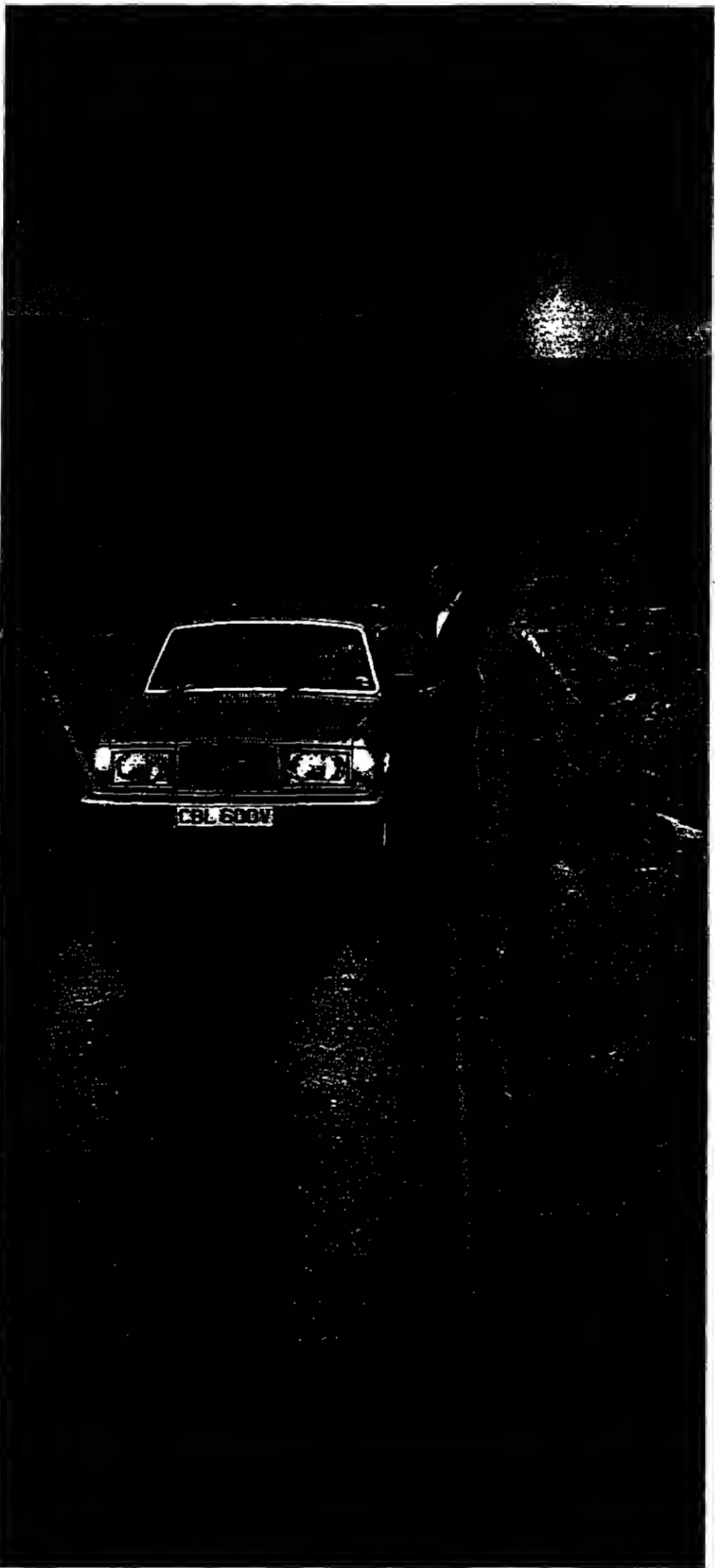
"With the automatic gearbox it runs out at £9,868."

When I thought of what I had paid for the piece of exotica languishing on the road some fifteen miles behind us, I was stung to one last justification.

"Of course, my car is much faster. I can reach 150 mph on a good dry road."

"It's not quite so fast in the wet though, is it?" He asked the question in the mildest voice possible. To my credit, after a moment's hesitation, I burst out laughing.

"Touché" I said and for the rest of a very enjoyable journey we talked about antiques. **The Volvo 265.**



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WANTED PROPERTY COMPANY Public finance companies seek to purchase property companies with net assets of up to £5m. Write the Chairman, Box 61-590, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS Lord Limerick to be chairman of Mallinson-Denny

The Earl of Limerick, a member of the Board of MALLINSON-DENNY, is to become chairman of the company on November 1. He will succeed Sir Frederick Catherwood...

Mr. Leonard R. Atkinson, Mr. Peter L. Drew and Mr. Gordon Newall, senior executives of PRICE AND PIERCE (HOLDING COMPANY), are to become directors on the main Board from October 19.

Mr. J. A. Pollack, managing director of OIL (ASIA) PTE., has retired. Mr. D. W. Glover, a director and general manager of Ocean Linchup (OIL) London, has been appointed as his successor and will take up his new duties at the end of this year.

Mr. John J. Chlusk and Mr. Gerard L. Seelig have become senior vice presidents of INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION. The corporation has reorganised its industrial and commercial products group...

Mr. Terry Berridge has returned to WARNER AMBERT (UK) as regional finance director. He was at the company's Eastleigh headquarters for ten years before taking the appointment of European finance director with Intercontinental Industries nearly two years ago.

Mr. Edward Keegan and Mr. John B. Ricker, Jr. have joined the Board of the INSURANCE CORPORATION OF IRELAND. Mr. Adrian Daly has become general manager of the Insurance Corporation of Ireland (Life) and Mr. W. M. Hannan has been made secretary of that company.

Mr. D. H. Payne and Mr. J. P. Taylor have been appointed directors of WILLIS, FAHER AND DUMAS. An oil and gas division has been formed which enlarges the previous team by introducing three new directors, each with specific knowledge in that field.

Mr. Barry Greaves, formerly director of group planning of the parent company, Amey Roadstone Corporation, has been appointed chairman and managing director of GREENWOOD TRANSPORT INC., which succeeds the late Mr. P. F. Bennell.

Mr. W. R. Miller has been appointed to the Board of MEARS CONTRACTORS. He was formerly an associate director of Edmund Nuttall, having been with that company for 30 years.

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NEW YORK AREA 100,000 square feet WAREHOUSE FACILITY with national distribution network is seeking production by overseas manufacturers interested in U.S. market coverage. Equity participation considered. Write Box F.1185, Financial Times, 10, Cannon Street, EC4P 4BY.

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PROPERTY COMPANY. Public finance companies seek to purchase property companies with net assets of up to £5m. Write the Chairman, Box 61-590, Financial Times, 10, Cannon Street, EC4P 4BY.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Michael Cassell reports on Istock Johnsen which is expanding its base into the U.S. with the message 'brick is beautiful'

More than just a pretty face

IBSTOCK JOHNSEN, the Leicestershire-based specialist brick producer...



Handmade 'Regal Red' bricks were designed by Istock Johnsen...

In one year, a company which since the 1920s has grown carefully until it accounts for about 10 per cent of UK facing brick sales...

The American business is already being shaped along the lines of Istock's other operations, offering customers as comprehensive a range of brick types as possible...

'One of our main objectives is to make people appreciate how exciting brick can be.'



Istock also sees tremendous scope for improving the profitability of U.S. brick production.

At the time of the takeover these stood at about \$85 per 1,000 bricks...

By July this year, Istock was ready to pay \$21m for the Glen-Gery Corporation of Pennsylvania...

earlier, if we'd been bigger. We saw strong commercial advantages in combining the two companies...

Although Marion is still dependent on dealers, the Glen-Gery operations are now selling direct to the choosers of brick.

'The previous weaknesses of Marion are now being overcome as we inject strong management and the Glen-Gery sales and marketing approach into a combined operation capable of meeting the demand for top quality brick.'

Hyde-Thomson adds: 'The quality of bricklaying and design in the U.S. is much better than in the UK but there is a frustration among architects and designers that there are few materials suppliers able and willing to help them express their ideas.'

'Most brick manufacturers here and in the U.S. are far too production oriented. Not enough consideration is given to the application of brick, or to the manufacturers' role in helping his customer derive the best from the product.'

'Higher profits will stem from improved marketing and the provision of a service capable of meeting any special challenge. We consider ourselves to be a great deal more than manufacturers and merchants.'

At the moment, we are making about \$4m a year profit and the market is improving to a difficult market largely because we now have well-run works and have placed the emphasis squarely on direct selling.'

Profits are something which have not come at all to another of Istock's overseas ventures. In 1977, the company paid around £150,000 for a Belgian brick producer which had ceased trading following losses.

By July this year, Istock was ready to pay \$21m for the Glen-Gery Corporation of Pennsylvania...

But in Holland, where in 1972 Istock made its first foray into Europe, the group has built up a six-plant operation which has been producing about 160m bricks a year...

THREE WORRYING factors have dominated the American scene in the summer of 1979: inflation, fuel and the soaring cost of medical care.

The problems and potential of health care in the U.S. pervade the media and few, if any, responsible leaders in government and the private sector would deny that some positive action is needed to contain the escalating cost of health care...

The question is: How can and should this be done within an acceptable cost framework? Powerful labour leaders like Douglas A. Fraser, the United Auto Workers President, have made the health care question a key issue in the 1980 Presidential and Congressional elections.

The more modest plan put forward by President Carter 'won't accomplish the job,' said Fraser, who described it as a 'facade.'

An understanding of the pressures and various plans for reform requires a grasp of the current health care scene in the U.S. What started as steamboat and rail accident insurance in 1847 has expanded into a multi-billion dollar private industry.

Other benefit areas, such as dental plans, are growing. These programmes are generally provided through insurance companies and service organisations such as Blue Cross and Blue Shield.

Another approach to health care is through health maintenance organisations which are built around health care centres and stress early diagnosis and preventive medicine.

But in Holland, where in 1972 Istock made its first foray into Europe, the group has built up a six-plant operation which has been producing about 160m bricks a year...

The pros and cons of a national health scheme in the U.S.

BY LOUIS KLEBER

protect the employee and his family from what, in many cases, could otherwise be an overwhelming financial disaster.

The Government's participation in health care is essentially limited to Medicare for those age 65 and older and Medicaid for the poor.

Senator Kennedy's programme is the closest thing to Britain's national health system in the history of ideas and proposals now getting serious consideration.

Mr. Carter's plan carries an annual \$2.4bn price tag. It would add about \$6.1bn in the \$42.6bn employers will pay in 1989 for private health care for employees over \$2,500.

Mandated benefits

Under this booklet of guidelines, there would be full and out-patient hospital coverage, physician and nurses' services, prescription drugs, home health care, dental and optical care and more.

Although the inclusion of the private sector represents a retreat from Kennedy's original idea to have the programme operated as an all-Government show, there would still be a National Health Insurance Board and firm Federal Government supervision.

Senator Kennedy envisages four consortia under which ser-

vice organisations like Blue Cross, insurance companies and health maintenance organisations would have to meet over 20 specified requirements in providing a mandated benefits package.

President Carter's plan would take effect in 1983 and require employers to upgrade their health plans to limit an employee's annual out-of-pocket payments for family medical care to \$2,500.

Mr. Carter's plan carries an annual \$2.4bn price tag. It would add about \$6.1bn in the \$42.6bn employers will pay in 1989 for private health care for employees over \$2,500.

Another concern about the possibility of an American NHI is the quality of health care.

What would a new approach to America's health care bill really cost? Health care costs are now estimated at over \$160bn, 8 to 9 per cent of the Gross National Product, and it continues upward.

Senator Russell B. Long of Louisiana has proposed legislation that is based on the simple objective of limiting an employee's hospital and medical expenses to \$2,000 a year.

Senator Kennedy envisages four consortia under which ser-

'may be about as much as we can afford to enact in this Congress.'

Senator Kennedy's proposals have wide support among older Americans, as well as from labour organisations, but qualified opposition has come from many quarters such as the American Medical Association and the Blue Cross/Blue Shield Associations.

A recent study by the Hospital Association of New York State, for example, found that 25 per cent of the operating expenses for New York State hospitals was spent to comply with government regulations.

No thought to costs

Cost is at the heart of the matter and concerns management and the labour force alike. Douglas Fraser of the United Auto Workers noted that since 1971, there has been a 33 per cent rate of growth in surgical operations while the population increased by only 5 per cent.

Another concern about the possibility of an American NHI is the quality of health care. The average U.S. doctor in 1976 worked 52 hours a week and saw 128 patients. Would hours and patient calls go up and quality down?

What would a new approach to America's health care bill really cost? Health care costs are now estimated at over \$160bn, 8 to 9 per cent of the Gross National Product, and it continues upward.

Can this objective be attained more successfully through NHI or private systems? Whatever the eventual shape of medical coverage for Americans in the future, there is little doubt that substantial changes will occur.

Louis Kleber is a manager with Peat, Marwick, Mitchell and Co. in New York.

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MAGNIFICENT WINE CELLAR FOR HIRE advertisement for parties and receptions.

OFFICE MANAGER/ESS advertisement for a large professional company in London.

Bank Hapoalim B.M. advertisement featuring a large image of a building and the slogan 'The personal touch in the city'.

Bank Hapoalim B.M. advertisement with contact details for various international branches.

LOMBARD

Questions for directors

BY GEOFFREY OWEN

There is a good deal of agreement that non-executive directors... should be kept separate.

The starting point is the Board itself and how the members of it, especially the executive directors... Grandeur

Grandeur

The inclusion of three or four strong outside directors help to correct this imbalance...

The second requirement is that the post of chairman and chief executive should not be held by the same man...

Challenge

The third requirement is that non-executive directors must be able to devote sufficient time to the job...

One possibility is to promote the concept of the professional non-executive director...

Striking the right critical balance

NO ONE'S opinions are sacrosanct, least of all in the subjective business of film criticism...

Such are the constraints which a conscientious film critic may impose upon himself...

With these thoughts in mind, I approach with care the recklessly titled film 'I Don't Know Where It's Going'...

Pertinent

But more dangerous, especially for those with little experience of the cinema, is the film in which the content is so pertinent to the particular problems of the viewer...

an audience; the confident flow that carries the viewer along. It is competent enough and put together with professional finish...

A film does not have to be exciting to accomplish this. Part one in a three-part series titled 'The Industrial Revolution'...

FILM AND VIDEO

BY JOHN CHITCOCK

cinematic grammar. It flows, it has a sense of balance, it uses words and pictures admirably. This first part provides an historical introduction to the industrial revolution...

In another recent release, 'The Auditor in Court' (Melrose Film Productions), the importance of the subject could well sweep aside any niceties of critical assessment...

Yet there are so many ways of packaging a message that the role of the medium is a matter that subjects experts should not disregard too readily...

Tragi-comedy

Absurdity is right, because inevitably Hardy gives his famous line 'a fine mess you've gotten me into'...

Huge risk

In 'One Man's Poison', the Health and Safety Executive have taken a huge risk (especially with a title like that, all ready to boomerang as a nasty

Gets Down the Redcar choice

LUCA CUMANI's long-held belief in Gets Down has proved entirely justified at last with several fine efforts by Dr. Enfa's colt and I fully anticipate the hat-trick coming today.

Gets Down, a lengthy half-brother by Home Guard to Bokrah, did not open his account until his fifth race.

RACING

BY DDMINIC WIGAN

ENTERTAINMENTS GUIDE

OPERA & BALLET: ENGLISH NATIONAL OPERA: 'The Marriage of Figaro'...

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TV/Radio

- BBC 1: 6.40-7.55 am Open University (Ultra High Frequency only). 7.55-9.30 am News (High Frequency).

F.T. CROSSWORD PUZZLE No. 4,100

Crossword puzzle grid with clues. Across: 1. Agreement to get less (8). 7. Avoid the girl holding a puff (5). 11. Release soldiers held in iron (5).

Solution to Puzzle No. 4,999. DEBATE TENDER, ANATOMY LEGENDS, TELELABORATORY SWAP, CRIPPS, THE BRIDGE, DEADENDS POISED, RATTAN, STOP ONE IN A DAY, OROLOGE CASPERS, STAIRS HEAVENS.

Radio Wavelengths

Table with 4 columns: Frequency, Band, Power, and Notes. Includes entries like 105.3kHz/255m, 88.1kHz/433m.

RADIO 1

8.00 am Radio 1 8.00 Ovale Lou Travas. 8.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Personal Call. 8.00 Mike Read. 8.00 Newsbeat. 10.00 John Peel (S).

RADIO 2

8.00 am News Summary. 8.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Wagoners. 12.30 Patsy Murray's Open House (S).

RADIO 3

9.05 am As Radio. 7.00 News. 7.05 Overture: Concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 8.00 News. 8.05 The Week's Composers: The Court of Oreades (S).

RADIO 4

8.00 am News Arriving. 8.10 Farming Today. 8.25 Morning News. 9.00 Today. 9.00 News. 9.05 Prayer for the Day. 9.00 News. 9.15 News. 9.30 3.30

THEATRES

VALENTINE: from 7.30-9.30. Mon-Thurs. 8. Fri. & Sat. 8.30. Sun. 8.00. THE FLYING DUTCHMAN. ROYAL COURT. 7.30-9.30. Mon-Thurs. 8. Fri. & Sat. 8.30. Sun. 8.00.

CINEMAS ARE CONTINUED. ON PAGE 25

THE ARTS

Dublin Theatre Festival—2

Car Seat and Hot Seat

by B. A. YOUNG

Already I've been taken to task for attributing a mere half-dozen theatres to Dublin's million inhabitants. Don't I know there are at least nine, if you count them? Dublin is no doubt even more literate than I said; on Saturday morning there was a headline in a newspaper reading "Agape and Eros" not the kind of reference you find in the Sun. Yet to see how intellectual Dublin sees itself in these post-Joycean times, try the Eblana Theatre for Crooked in the Car Seat by Brian Lynch, a Government information officer.

for sporting with Larry in a toilet, you would think the world was coming to an end. Yet at this time Pearce is sleeping with Irene, a student of his friend David's, and Helen is sleeping now with David and now with Eamon, another visitor, and doing her best to ensnare John as well.

And oh, it is so dull! If I thought sin were as tedious as that, I'd give it up this evening. People come and go with no motive but to help Mr. Lynch keep his play off the ground, and they talk in obscure disconnected dialogue which the occasional sub-plagram, blasphemy or four-letter word does little to invigorate. Everyone seems to be in a daze, no doubt the result of so much alcohol, marijuana and sex. Perhaps the responsibility lies with the director, Donald Taylor Black.



Scene from 'Crooked in the Car Seat'

New Music in Hungary—1

Kurtág's Játékok by DOMINIC GILL

This year was the sixth festival of Korunk zenéje—contemporary music—in Budapest. Since the first tentative beginnings in 1974, when new music was included as a separate category in the Budapest Music Weeks for the first time, the event has grown in scope and stature each year to become a full-blown and impeccably organised celebration worthy of comparison with any like-minded festival in Europe east or west. In 1977, Korunk zenéje was stretched to its limits, offering an almost Royan-like profusion of 17 concerts in the space of one week. This year and last, the aerics has confined itself to a dozen programmes in ten days—a sensible reduction that has attracted a corresponding increase in audiences, as Royan learned to its (eventually mortal) cost, no one, least of all the local public who must be such a showcase festival's first and last raison d'être, can take in and properly appreciate new works in such hectic sequence.

official rejection of the "elitist" aesthetic (as it was then condemned) of Bartók, and from the imposition of a cultural line which recognised as valid only a very narrow range of musical experience—essentially a kind of sub-Kodály, romantic-folklore stereotype, usually a cantata, oratorio, suite, symphony or divertimento, profoundly synthetic and, in a way that will be familiar to every student of post-revolutionary art, irredeemably dull.

Few people in Hungary these days, from the Music Academy or the Ministry of Culture to the man on the Rákóczi Street omnibus, find compliments to pay to the products of that decade; the official historical surveys themselves even remark on its "insularity and narrow-mindedness." Kodály alone, by then well into his sixties, was able to uphold and develop without compromise the tradition he had established long before the war. He could declare, as he had always declared, "My music belongs to everyone!"—but now, ironically, speaking as the solo successful representative, no longer the father, of a school.

Kurtág's opus, is not large: he works slowly, with extreme self-restraint. The few works which do find their way to publication are often miniatures of the briefest duration; but small as they are in size, they are large in spirit and complex resonance—Kurtág premieres have been among the highest points of the six Korunk zenéje that I have visited. Last year there a set of 12 Micro-indians for string quartet written in homage to Andrés Bely, the new director of the Budapest State Opera—a dozen tiny fragments, together lasting barely 10 minutes, each one a delicate curl of fragrance, a pattern of echoes and re-echoes that summoned, without ever directly quoting or imitating, a hundred shadows of other composers: Bartók, Webern, Schoenberg, a quicksilver thrill of Debussy, a nostalgic folksong.

Serpentine

John Hoyland and the abstract

by WILLIAM PACKER



Part of the John Hoyland exhibition at the Serpentine Gallery

To many people, too many people, abstract painting still seems irredeemably obscure and difficult. The painter himself incorrigibly self-indulgent and more than likely a charlatan. Painting of a kind that has been with us for a lifetime and more is seen as dangerously advanced. Its public display, its promotion and its public accusation a scandal. Why this should be so is more the province of the social historian than of the critic, and is certainly beyond the scope of a single newspaper article, but close to the heart of it lies our national literal-mindedness, a trait that in this case raises unreasonable expectations, and consequent disappointment.

It is a nice paradox that in hoping for an easy answer we make things unnecessarily difficult for ourselves. Painting is a subtle and profound craft, but access to it, given a certain sympathy and application, is not altogether impossible. John Hoyland is one of the best of our middle generation of artists, and by any standard a distinguished abstract painter, and to mark his retrospective exhibition now at the Serpentine (until October 28) the BBC made a film study of him a year ago. Those of us who know him, and know his work well, surely found it entertaining and enlightening, for we could get behind his defensive jocularity and off-handedness, and his apparently arbitrary and casual method, and see what he was getting at. But the world at large might have been mystified and irritated, that is if it bothered to watch at all.

So another opportunity slips by, which is a great pity. The message can be stated very simply, and indeed Hoyland puts it very well himself in the catalogue to his show. Artists' statements are not always helpful, but Hoyland's deserves to be quoted at some length. "Paintings are there to be experienced, they are events. They are also to be meditated on and to be enjoyed by the senses; and to be felt through the eye... Paintings are not intellectual,

they don't describe events, don't tell a story, they are not concerned with history, literature, science, theatre, mathematics, or movement; they are still... Paintings are not to be reasoned with, they are not to be understood, they are to be recognised."

St. John's, Smith Square

Cherubini's Médée by DAVID MURRAY

It is a long time since anyone thought to correct Beethoven's gaffe in Fidelio, the intrusion of spoken dialogue into a respectable opera, by setting the offending chat to music. Beethoven's distinguished contemporary Luigi Cherubini (1760-1842) has been less lucky. The conventions of the French opera houses for which he wrote prescribed spoken dialogue, not recitative; but the conventions were already demodé, at least for serious dramatic works, and a dozen years after Cherubini's death Franz Lachner refurbished his masterly Médée for a new public. Lachner was a composer-conductor (and a great friend of Schubert), much esteemed in his day, and his intentions were honourable. Sung recitative with suitably dramatic orchestral punctuation takes much longer than talk, however, and to keep the opera to a feasible length Lachner found himself trimming Cherubini's original score with one hand while adding recitatives with the other.

On Sunday evening in St. John's I listened to the original version, conducted by Antony

haritone and ensemble also made a powerful impression: brief miniatures, conceived with the greatest finesse and concentration, but stirring also—"Alcohol," a monotone chant for voice and bowed zither; "Dostoevsky," a dark, dramatic recitative with violin and cello, full of echoes and portents; "Beating," a bitter contest for seven instruments and voice, savage and resonant.

We also heard, during the same concert, 39 of Kurtág's Játékok—which go under the English title of Plays and Games. Játékok are Kurtág's Mikrosmos: a collection of about 200 tiny piano pieces for two and four hands, designed for audiences of all ages, ranging from the very early to the very difficult. Some are free transcriptions rule—of Schutz, Frescobaldi, Machaut. Most are original; and each demonstrates a particular (in the widest sense) technical point with marvellous poetry and humour, vigour and verve. Children love them; it was evident that three young teenagers who played the selection, with fine accomplishment and zest, were also having the time of their lives. And older pianists too will find they offer much of serious interest, not only for their exploration of unusual notation and techniques, but for the very close focus their deceptively simple surface demands.

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Advertisement for Austin Reed featuring a detailed illustration of a man in a suit and tie, holding a hat. The text promotes the discovery of unexpected styles and quality in their clothing, mentioning Chester Barrie suits and the availability of the collection at Austin Reed in Regent Street, London and Principal Cities.

FINANCIAL TIMES SURVEY

Tuesday October 16 1979

BRAZIL

The euphoria of Brazil's economic miracle has given way to warnings of tough times ahead. The country is at a watershed and events are moving fast as it tries to find a stable system free of authoritarian rule and to cope with social strains. Problems of the economy have to be tackled, including fast rising oil imports and a foreign debt of about \$50bn.

Politics again a primary issue

By Hugh

O'Shaughnessy

Latin America Correspondent

EVENTS IN the world of politics and economics in Brazil are moving with the speed of an express train and at times the visitor has to rub his eyes to make sure that he is in that same Brazil which seemed so ordered and disciplined only a decade ago.

The events of the past few weeks have included a strike by the bank employees of Sao Paulo during which a mob rampaged through the city's financial centre, rioting and breaking every pane of plate glass they could reach; and the resurrection of the National Union of Students, one of the bodies which was most harshly curbed after the military take-over of 1964.

Two veteran political leaders, Sr. Leonel Brizola and Sr. Miguel Arraes, who went in fear of their lives in 1964 and who have been living in exile for more than a decade, returned to Brazil and immediately became the centre of a nationwide politi-

cal debate. Belo Horizonte, capital of the rapidly industrialising state of Minas Gerais, was virtually under siege for a few days as the Government battled to halt labour stoppages.

The principal focus of attention for much of the increasingly outspoken Press has been the life and thought of Sr. Luiz Inacio da Silva ("Lula"), the charismatic leader of Sao Paulo's metalworkers. Lula had no difficulty in persuading his followers to down tools and demand better wages and conditions, halting production in the country's industrial heartland.

As a descant to the orchestrated activities of opposition political leaders and trade unionists, the Catholic Church has maintained a chant of criticism of the country's social structures.

On the economic front the euphoria which characterised Government pronouncements during the years earlier in the decade when GNP was growing at an annual rate of 10 per cent has given way to warnings of tough times ahead.

The soldier who took over the presidency in March no longer wishes to be known as Generalissimo-Exercito Joao Baptista de Oliveira Figueiredo, but rather "Presidente Joao."

Having taken over as a hardliner who wore dark glasses and appeared disposed to take the toughest measures against his opponents, he now appears to be a man who is able to keep up with the political changes in the country thanks only to the greatest nimbleness of mind.

Brazil is clearly at a watershed as the country's 120m inhabitants, tired now of a mode of development which appeared

to give too much emphasis to accumulation of resources and too little to their more equitable distribution, seek to fashion a new political and economic system for themselves.

There is no doubt that politics today have reasserted their primacy over any discussion of economic expansion in Brazil. The system created by the military after it closed down the political parties which existed at the time of the coup d'etat of 1964 no longer serves the purpose for which it was set up.

Impatient

The arrangement under which a pro-government party, ARENA, was to rubber-stamp the decisions arrived at by the military and its civilian advisers in the Cabinet while a "loyal opposition" — the MDB or Brazilian Democratic Movement — was to give the illusion of a democracy on a British or U.S. model, has crumbled.

Benefiting from the injection of protest votes from an electorate impatient for change, the MDB has ceased to be a puppet and, like Pinochet, has taken on a life of its own.

The quandary for the government now is how to control this new creature, which some of the military regard as more of a Frankenstein than a Pinochet.

The dilemma facing many of the critics of the military, who until recently were unhappy with such an artificial creation as the MDB, is whether to swallow their words and use the party to gain a grip on the reins of government or attempt to establish new parties which will inevitably take longer to group together for a determined

assault on the positions of power.

Opinions are divided. Lula is planning to launch a Workers' Party which would reflect the growing power of organised labour in Sao Paulo and other cities.

Leonel Brizola returned from exile with ideas of recreating the PTB or Brazilian Labour Party, the populist vehicle of President Getulio Vargas through which he dominated politics in the 1940s, while Miguel Arraes feels it is better to husband the force of the opposition in the existing structure of the MDB. Others are planning to create an uncompromisingly named Socialist Party.

For the moment nothing in politics is certain but the belief that change is round the corner.

What is making the political uncertainties of the moment all the more enigmatic is the fact that they are occurring at a time when Brazil's economic future is fraught with considerable difficulty.

The authorities are faced with a foreign debt which at the end of this year will amount to about \$50bn, the servicing of which is likely to consume up to two-thirds of the country's export earnings. Meanwhile, the bill for imported oil is rising by leaps and bounds and may perhaps touch \$7bn this year, or half the expected export earnings.

Forecasts for the return of the balance of payments are pessimistic. The trade deficit is expected to come in \$2.5bn—possibly more if the price of oil continues to rise rapidly and the growth in domestic oil consumption is not choked off fast. At the same time, the rise in

interest rates is making a mockery of the fine margins over LIBOR that Brazil is paying on its foreign borrowings. With six-month LIBOR rates now around 14 1/2 per cent the debt service burden is becoming increasingly heavy. It is expected that the current account deficit could be as much as \$8bn in the red by the end of the year.

Inflation rates, which in the early 1970s, the government had got down to nearly single figures, are rising inexorably. Inflation in August came to 5.5 per cent and in the year to August the consumer price increase totalled 31.9 per cent.

Food prices rose more steeply than the prices of any other staple at 9.1 per cent in one single month, a particularly hard blow to the already-discontented industrial workers.

For this situation to be squared Brazil must continue to attract foreign funds in the form of loans and investments and must also continue to increase its exports rapidly.

Debt

The faster Brazil grows, the bigger the import bill will be and the faster the foreign debt will pile up. The Government will be very lucky if the inflation rate is kept under 70 per cent this year.

And Brazil cannot opt for zero growth and economic vegetation. As Sr. Ernani Galves, president of the Central Bank, commented in London earlier this month, there must be enough growth to provide 1.4m new jobs every year for the growing population. Without these jobs the social strains in Brazil would rise alarmingly. Yet, can Brazil afford to



borrow more in order to finance this growth? Will lenders continue to put money into the country in the amounts it needs at a time when the political future is, as we have seen, increasingly problematical? The next two or three years will provide the answers to these questions, but meanwhile Prof. Antonio Delim Neto, the Planning Minister and one of the principal architects of policy, shows no sign of wanting to slow the economy down.

In the year to mid-1979 manufacturing industry grew at the rate of 8.3 per cent, and Brazil is preparing to borrow a further \$1.2bn in a massive new syndicated loan.

The Government is gambling on the success of a strategy aimed at modernising the agricultural sector and making it very much more productive. If the strategy succeeds it could yield big dividends in the form of cheaper food for the discontented city dwellers, exportable surpluses to offset the crippling

oil bill, and a large number of those 1.4m new jobs.

But in order to raise the productivity and productivity of the farm sector billions of dollars will have to be invested in farm machinery, new roads, railways and ports and in credits to farmers. It is unlikely to be as rapid a process as the government would wish and the imported items needed for a nationwide farm modernisation programme will certainly add to the problems of the balance of payments.

An agricultural revolution will have to put right decades of neglect of the farm sector and the sense of hopelessness that this neglect has engendered especially in the North-East of Brazil, the most backward region of the country, where nearly a quarter of the population lives.

If one particular agricultural idea succeeds, that of growing big new crops of sugar to convert into alcohol as a substitute for the petrol produced from

imported oil, the benefits could be particularly useful.

But the fact remains that the strategy is still a gamble and there are presidents of central banks in Latin America who are prepared to forecast that the gamble will fail as a result of the very severe strains it will put on Brazil's balance of payments. They prophesy that the dash for growth will be blunted and the country will have to live as best it can with a period of stagnation.

The understandable concentration of politicians, bankers and economists on the prospects for the next five years does, it must be said, obscure one fact and that is a very positive one: that Brazil, for all its problems, is a country whose agricultural, mineral and industrial potential is still a long way from being realised.

Whether this potential comes soon or is postponed for some years by the problems of the moment, Brazil's continued growth cannot be gainsaid.



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BRAZIL II

Relationship with U.S. cooler

WHEN Dr. Henry Kissinger was carrying all before him as Secretary of State in Washington he announced that the U.S. would henceforward have a "special relationship" complete with periodic bilateral confabulations on matters of world concern with Brazil. The authorities in Brasilia felt that at last the country's pre-eminent position in Latin America was being recognised formally by one of the great powers.

The fall of Dr. Kissinger and the appearance in the White House of a President whose concern with human rights are well known have blown away the idea of a special relationship like a puff of cloud on a summer day.

Not only has Mr. Carter taken a less permissive attitude than Mr. Ford did towards the military and its lack of attention to human rights but the U.S. has been alarmed at some of the practices followed by Brazilian exporters. The relationship has greatly cooled on the political level though Brazil's financial links with Washington and New York are still strong.

But it is difficult to believe that even if Mr. Carter had not come upon the scene that Brazil's relations with Washington would have retained their primacy. In 1978 it is the energy problem that has become the principal focus of concern for Brazil in its dealings with the rest of the world.

As the scramble for oil proceeds pell-mell among importers, Brazil, whose oil import bill may this year reach \$7bn, is in the front rank. The search for easy access to oil was in great part responsible for

Brazil's decision to recognise the Agostinho Neto government in Angola before any other Western country and for the good relations with Luanda which exist today.

Angola and Nigeria are becoming important energy suppliers to Brazil and are helping to determine that relations with the apartheid regime in South Africa are being pushed farther and farther into the back-ground. Pretoria's ideas for a "South Atlantic Pact" are now openly ridiculed in Brasilia and there are hints at the Itamaraty, Brazil's foreign office, that visa regulations for South African nationals wanting to visit Brazil are not going to get easier.

The energy question is also a determinant in Brazil's attitudes in the Middle East.

At the time of the overthrow of the Shah of Iran last year Brazil was among that country's largest customers for oil and the production cutback in the Iranian oilfields after his departure caused considerable nail-biting in Brasilia. But Brazil was not totally dependent on Iran and the good relations that Braspetro, the overseas exploration arm of the government-controlled oil company Petrobras, had built up with Iraq stood the Brazilians in good stead.

Brazil can count on supplies won as a byproduct of Braspetro's exploration activities in Iraq and now Iraq is one of Brazil's most important suppliers. Braspetro's activities in Egypt should also assure Brazil a growing line of supply from that country.

Brazil's dependence on Arab oil has not surprisingly had a part to play in its growing disenchantment with Israel.

attitudes. Brasilia, however, has preferred caution to rhetoric on the Palestinian issue, if only because of the well-entrenched group of friends of Israel who are particularly powerful in the communications media. The *Jornal do Brasil* and the Bloch group in Rio de Janeiro, publishers of the popular and glossy magazine *Manchete*, make no secret of their pro-Israel proclivities.

Despite this, however, Brazil has made it clear it stands behind UN Resolution 242 and wants action to safeguard the rights of the Palestinians.

Few would envy the job of the Brazilian Foreign Office in trying to satisfy the demands of the increasingly capricious Paraguayan president, Gen. Alfredo Stroessner, or in trying to forecast the future of this massive undertaking once he is no longer ruler of Paraguay.

The Parana and its use for the production of hydro-electricity is another energy question which determines Brazilian relations with its largest neighbour, Argentina. The Argentines seeing Brazil their traditional rival, taking the lead in so many questions in which Argentina sees its own prestige bound up, have been fighting a snipe's battle against Itaipu.

They have been seeking to get the Brazilians to reduce the head of water in the dam for the benefit of Argentina's over-hydro-electricity down-stream. The Argentines, one feels will forgive Brazil anything but its success.

In the last major sphere of foreign relations, those with Western Europe, the energy question is also somewhere at the centre of things. The signature three years ago of a multi-billion dollar sale of nuclear power stations to Brazil by Kraftwerk-Union of Germany, raised the hopes in many European minds of a series of massive contracts with Brazil.

Brazil at the same time, it was thought, could become an important supplier of uranium for Western Europe. The cost of the power stations now appears to be too great for the Brazilians to manage and the scope of the sale is likely to be considerably reduced but with new uranium discovered Brazil could become an increasingly important fuel supplier to Europe.

New finds this year have put estimated reserves of the metal as high as 123,000 tons, nearly four times the estimate only two years ago.

Hugh O'Shaughnessy



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Trade dips into red

WHEN BRAZIL achieved a trade surplus of \$133m in 1977, it seemed that a four-year export drive had paid off and, thereafter, yearly surpluses could ease debt related pressures on the balance of payments.

By December 1978, however, there was little cause for optimism. The trade account was \$1bn in the red. Though exports had doubled to over \$15bn since 1974, and manufactured goods now accounted for over half of overseas sales, a healthy switch for a developing nation.

The main cause of the 1978 deficit was farming. By pumping too many incentives into large-scale, export-related businesses like soy, the Geisel Government, whose tenure ended last March, neglected small and medium-sized farms, essence of Brazil's agriculture, and weather disasters made matters worse.

Domestic staples went short and the State turned to imports — \$600m by the end of the year. Moreover, with only reasonable coffee and soy exports, important overseas revenue was lost. When the incoming government headed by Sr. Inao Figueiredo, began to shape policies in January, agriculture was given absolute priority to ensure weather permitting—domestic supplies and exportable surpluses.

But accumulated effects of 1978 crop failures and hoarding or dumping by middlemen and producers trying to force up prices, left the new administration with no choice but to open for \$1bn of foodstuff imports in 1979. It now appears that the final food imports bill could reach \$1.5bn.

Hopes

Initially, with prospects of 25 to 30 per cent growth in manufactured exports this year, there were hopes that the year-end trade deficit would be small or even non-existent, but two OPEC price increases dashed these hopes.

Even though the country is working on mass production of cane alcohol as a partial petrol substitute, Brazil, with 2.8 per cent annual population growth and 6 per cent annual economic growth fuelled on rapid industrialisation, will have to take daily imports of more than 1m barrels of crude oil.

By June, \$2.5bn at least were added to the imported oil bill, a year-end total of about \$7bn. This has driven estimated overall imports up to at least \$16bn while, whatever the effort in sell abroad, exports are unlikely to exceed \$14-\$15.5bn.

Trade figures show that in August the balance plunged \$1.2bn into the red. Oil imports for the month, \$650m, swallowed 37.3 per cent of all imports, compared with 33 per cent earlier in the year. Manufactured sales continued to improve, but oil and foodstuffs imports masked their healthy performance.

At the end of 1978, the gross foreign debt was just over

\$42bn. According to the Treasury, which revealed the current figures only recently, it is now \$47bn, and should reach \$50bn at the end of the year.

As Sr. Karlos Rischbieter, Finance Minister, pointed out on a recent European tour, of the \$42bn net debt, the State is responsible for only one third—or \$14bn.

Borrowing

Half the remaining \$28bn are owed by the Brazilian private sector, half by subsidiaries of multinational concerns (in this case, largely house to house loans).

Total foreign investment and reinvestment in Brazil is about \$14bn: that is the same sum as the multinationals' foreign debt. The authorities would prefer more capital investment and less borrowing. To encourage this, they have made private overseas borrowing less easy since April, with a compulsory freeze of 50 per cent of cruzeiro proceeds of private loans until further notice, and 50 per cent cut in income tax relief on interest and commissions on private foreign loans.

This has turned several foreign concerns to Brazilian banks for loans — in many cases, for the first time in the history of large-scale, foreign operations in Brazil. It is reported that several major concerns have raised equity, accepting a fact of life the government apparently intends to perpetrate.

Year-end investment figures will tell how successful the Figueiredo government has been in coaxing co-operation from concerns which officials repeatedly state are welcome as long as they wish to contribute to the country's development, rather than use Brazil as a passive host.

The trade debt ratio remains tense. While seeking to manage the debt efficiently the Administration is also bent on streamlining foreign trade with judicious choice of items and markets. It hopes to sustain real export growth of 25 per cent a year until, by 1984, exports rise to \$40bn in real terms. There are few hopes of importing less or of drastic, rapid reduction in borrowing so exports are seen as the saving grace.

To provide an efficient policy-making and legislative instrument, the government has resuscitated the dormant foreign trade council, Concex. Sr. Karlos Rischbieter, who presides over the new Concex, and Sr. Paulo Vellinho, the prominent private businessman appointed executive secretary, see foreign trade as the art of the possible, not as was the case in earlier governments, an activity that primed by lavish fiscal or financial incentives, will enjoy rapid spontaneous generation.

Meanwhile, Sr. Rischbieter is bent not only on squeezing state handouts but also the elephantine bureaucracy that grew up

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Personalities in the government

Helio Beltrao

ONCE A fortnight, Sr. Helio Beltrao strides into the Press briefing room of the Planalto Palace in Brasilia, seat of the presidency of the Republic, and happily submits himself to a battery of television cameras, microphones and reporters' notebooks.

As Minister extraordinary for matters of debureaucratisation, specially appointed by President Figueiredo to excise as much of the country's stifling red tape as possible, Sr. Beltrao knows each word he says is of supreme importance to the 130m paperwork-battered Brazilians.

He patently enjoys his mission. Buried in his modest office in the Planalto under a mountain of files, forms, letters from the public and suggestions for improvements, he emerges triumphant periodically, having eliminated another set of time-wasting processes.

Nothing in the hitherto spontaneously self-generating labyrinth is safe any longer from the bold, bespectacled, cheerful Sr. Beltrao, an economist by training and sometime Finance Minister.

He has spirited away 1,500 superfluous signatures from the president's jurisdiction, including authorisations for ministries to buy furniture, and relieved citizens of the obligation to present their birth certificates, residence certificates, taxpayers' certificates, economic dependence certificates, moral probity certificates and clean police record certificates to municipal, state or federal bodies whenever they need other documents.

Until now, Sr. Beltrao maintains, "our bureaucracy has worked on the principle that everyone is lying until a piece of paper proves him truthful. From now on, he will be assumed truthful, until proved guilty."

Having dealt death blows to certificate mania, Sr. Beltrao is now hacking away at 55 pieces of red tape that threaten to strangle businessmen seeking municipal operating licences, formalisation of contracts and other routine procedures. He hopes to spare businessmen innumerable trips a year to the local trade boards, not to mention costly outlays on paperwork or extra hands to cope with the multifarious forms.

So eager is Sr. Beltrao to tell a country struggling to rid itself of 400 years of accumulated red tape that relief is coming that, if the Press fails to ask for details of his latest triumph, he exhorts them: "Ask me more. Ask me anything."

Karlos Rischbieter

DESCENDANT OF 19th century German immigrants, Sr. Karlos Rischbieter, 52, rose to his present position as Finance Minister via an engineering degree, post-graduate studies in Europe and a grounding in the Parana State Development Bank, National Savings Bank and, before being joined to the Cabinet in March 1979, presidency of the gigantic Bank of Brazil — the half state, half private body that fuels farming, small businesses and exports.

Independent

Sr. Rischbieter, who has a loathing of unnecessary red tape, has been criticised for his independent nature and plain speaking by adepts of a system more accustomed to obedience to the hierarchy.

Using a sardonic sense of humour as a shield against criticism or pressure by rivals, he has stubbornly advanced tax reform proposals that will introduce death duties, near heresy

in a country of vast inherited wealth. And when bankers failed to comply with a gentlemen's agreement to lower lending rates, he ordered them to do so through the National Monetary Council, over which he presides.

He has also proclaimed that past voluminous Government subsidies to industry have bred a generation of businessmen keener on getting Government handouts than running their factories.

All this, plus his astute trading off of a Treasury department or commission in exchange for supervision of a new department rather than let his space be occupied by the exuberant, powerful Planning Minister, Sr. Delfim Netto, makes the Brasilia rumour factory work overtime, having Sr. Rischbieter dead and buried when he is alive and lecturing out of town, or resigning when he is quietly beefing up his province.

Only time can tell whether his Germanic taste for efficient organisation and simplification, and general receptivity to the private sector—as long as it minds its ethics—can keep him in his position. Though not an easy man he is judged a fair one, but he has ambitious rivals whose high-level support may outweigh all other considerations.



While the government must bring the trade balance under control it also has to put its people to work. Modern office buildings in cities such as São Paulo (left) contrast sharply with the shanty towns of the poor in shanty towns such as Rio de Janeiro (right) or elsewhere in Brazil.

Aureliano Chaves

BRAZIL, like the U.S., is a country used to regarding the presidency of the republic as everything in political terms and the vice-presidency as almost nothing. However, Brazilians have had to revise their ideas a little since Sr. Aureliano Chaves de Medeiros took over the job in March.

A conservative politician who has been used to getting things done, Chaves left his mark on the last job he had, governor of the fast industrialising state of Minas Gerais. Under his governorship the Fiat company settled into a big site outside Belo Horizonte, the state capital, and started to produce its range of vehicles.

Plans

Complementary to that, plans were agreed and work started on another multi-million pound scheme: the construction of a new steel complex, Açominas, in which British banks and capital goods manufacturers are heavily involved.

The industrial history of Minas can never be written without extensive reference to the Chaves governorship.

It was to be foreseen that he would not want to while away his time with mere protocol when he took over the vice-presidency, and Gen. Figueiredo, the president, gave him the task of co-ordinating action on one of

the most difficult tasks the country faces, tackling the fuel crisis.

As head of the newly-created National Energy Commission, Chaves works from an office in the Banco do Brasil and does his best to encourage the saving of imported fuel and the production by all feasible means of locally-produced fuel.

This is not a job which brings immediate nationwide popularity. The squeeze on the petrol user is having to be tightened up as the oil imports bill swallows up \$7bn a year half the money Brazil earns from exports. Petrol pumps are having to close at the weekend, the price of petrol is being raised sharply in real terms and locally-produced alcohol is being admitted more and more, with petrol for the motorist.

But Chaves presses on with increasingly ambitious plans to ease the imported energy bill, which he sees as the greatest challenge facing the government. Last month he brought together government representatives and the leaders of the motor industry who pledged to make the alcohol-driven car a common sight on the roads by next year.

If the vice-president succeeds in his job of cutting this bill Brazilians will have reason to be grateful to him and much of the rest of the world will be coming to Brasilia to learn how they did it. But even then he will scarcely be popular with the ordinary motorist.

Trade

CONTINUED FROM PREVIOUS PAGE

with them: 1,400 existing pieces of trade legislation. With "de-implication" Sr. Rischbieter hopes that businessmen can negotiate at speed on interests and their own merits, not the government's apron strings.

Concex will define trade policies and priorities in permanent consultation with the private sector, a new departure for Brazil—where, before, the government hand fed while its ears were largely closed to recommendations by competent private businessmen.

A great strength behind Brazil's manufactured goods, Sr. Vellinho feels, is the country's progress with local engineering and equipment know-how, adapted to Southern Hemisphere conditions and a large unskilled labour market.

These circumstances prevail in many developing countries. Therefore, to Sr. Vellinho, "universal" relatively simple machinery used in Brazil has considerable export potential: a more logical choice than capital intensive, highly-sophisticated, and expensively-maintained equipment sold by many industrialised nations, or engineering techniques that may not allow for local quickness.

Closer recent attention to the Third World has made the balance of Brazil's trade slowly shift away from traditional partners such as the U.S. and the EEC. The industrialised world still means 64 per cent of two-way trade but this is a drop compared with the 73.5 per cent ten years ago.

Concex hopes to develop more sophisticated commodity trading, ensuring even greater sales regardless of oil crises. Brazil expects developing nations still to invest in infrastructures or basic industries. It sees engineering services and services-related machinery and equipment as a substantial growth area for visible or invisible exports to oil-exporting nations, the Latin American Free Trade

Association area, and oil-importing African and Oriental nations.

Recent successes in such areas have made trade negotiators realise much more can be done. Brazilian civil constructors, agro livestock enterprises consortia of manufacturers, or services companies have built dams in Central and South America, cheap housing in Algeria and sewerage systems in Libya. They have set up soya or livestock projects on the Ivory Coast and in Nigeria and worked on Nigeria's telecommunications systems and partly dredged the Suez Canal.

Traditional

Apart from the U.S., with a small surplus, and Japan—with a large one from massive sales to Brazil of capital equipment—most industrialised countries, the Comecon bloc, Africa and the Far East, have trading deficits with Brazil.

Conversely and not surprisingly Brazil has a deficit with the Arab world of \$2bn. Ten years ago that world accounted for 0.3 per cent. How Brazil can break traditional supply barriers in most Arab countries, and sell more there, is not sure.

The Figueiredo administration is showing signs of more realism and less gung ho in its political and trade expectations. It faces the fact that currently Brazil represents only 2 per cent of world trade of \$1.3 trillion (million million), although it is the fifth largest country in the world.

It hopes to improve this ratio without wasting time, money or florid phrases. Sr. Vellinho and many other businessmen stress that much hard work needs to be done to catch up, but they welcome the new government's receptivity to their opinions as a very positive sign.

Diana Smith

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BRAZIL IV

Itaipu power vital to the economy

SEEN FROM the air the \$1.1bn Itaipu hydro-electric scheme gives little clue to the immense importance it will assume in the next few years for the economies of Paraguay and Brazil.

The red earth is pitted and gashed with the tracks of machines and the workers' quarters stretch for miles on the Brazilian side of the river. But the reddish-brown Paraná River still flows unimpeded and as yet there is little indication of the size of the lake which will stretch back upstream once the retaining dam is completed.

From an aircraft the visitor's eye is more readily caught by the cloud of mist and spray which rises a few miles to the south over the Iguaçu Falls, the Niara of South America.

The enormous scheme at Itaipu is vital to Brazil and Paraguay in the coming decade. Scheduled to provide a capacity of 12,600 MW of electric power from 18 turbines, the scheme will dwarf Aswan, Grand Coulee, Dniepropetrovsk and all the other hydro-electric world record holders when it is fully in operation. The first generating sets are to be inaugurated in 1983.

A joint venture by Brazil, which occupies the left bank of the river, and Paraguay, which occupies the right, the scheme will submerge the cataracts of the Quedas (Seven Waterfalls) through which the Parana tumbles a few miles upstream from the dam site.

Each country will have the right to half the energy produced though the main consumer will doubtless be Brazil, with its 120m population and a well-developed industrial base, rather than Paraguay which has

but 4m people and no industry to speak of.

If Paraguay were to absorb all the electric power it is due from Itaipu the average Paraguayan by 1990 would be consuming nearly 50 per cent more energy than the average U.S. citizen was using in 1973 — 12,000 kW/hours against 8,312 kW/h.

With few signs of energy-intensive industry wanting to establish itself in General Stroessner's Paraguay the Paraguayans are likely to take their benefits in the form of payments for that share of their half of the project's energy that they will sell to the Brazilians. This probably will make Paraguay into the world's largest exporter of electric power.

fallen from this year's percentage of 42.5 to 34.2.

The cost of the energy will be surprisingly cheap given the continuing rise in the world oil price. And the question of exactly what price Paraguay will be selling its power for is threatening to cloud further the already difficult relationship over Itaipu between giant Brazil and dwarf Paraguay.

The Paraguayan side is divided about how to deal with the energy question. Sr. Delfin Ugarte, the Paraguayan Economy Minister, has been keen for Paraguay to use as big a proportion of the power as it possibly can in order to attract energy-intensive industry which could provide jobs and foster new manufacturing development.

On the other hand, Sr. Enzo Debernardi, the head of ANDE, the Paraguayan power corporation, has been eager to see that the big credits Paraguay has saddled itself with for the construction of the scheme are paid off as rapidly as possible with the export of power.

The difficulty facing Paraguay is that under the bilateral agreement regulating the operation of the Itaipu project the Paraguayans must decide how much they should take and maintain that proportion over the space of 20 years. What Paraguay's decision will eventually be is clearly of prime importance to Brazil which, if it could, would doubtless buy up the whole of the energy output of Itaipu.

Brazil meanwhile faces a headache over what price the power will be bought at. As the world oil price rises and nuclear power becomes more expensive

and controversial, Paraguay has been hinting that Brazil should be prepared to pay more than was envisaged when oil was \$5 a barrel.

An important series of articles in the Asuncion newspaper La Tribuna suggested that Brazil should pay Paraguay the price that it would take Brazil to generate the power in nuclear power stations which it estimated at 26.65 mills (thousandths of a U.S. dollar) per kW/h, rather than the maximum of 0.3 mills as stipulated in the Itaipu treaty signed by the two countries in April 1973.

Brazil is not without its arguments to counter the Paraguayans, of which the most powerful would seem to be the most obvious: that if Brazil had known it was to pay a "nuclear" price for the power from Itaipu it would not have built Itaipu but built its own nuclear power stations.

Nevertheless, the Brazilian authorities are resigned to the fact that some adjustment must be made in the price of Itaipu power bought from Paraguay. They see too that whatever government comes to power after Gen. Stroessner's departure (which may not be too long delayed) may seek a wholesale renegotiation of the Itaipu Treaty.

As the day approaches when the power begins to flow the financial attractiveness of the Itaipu project is more and more clearly proved despite the many escalations of the original cost. But the problems surrounding the scheme's administration appear to be getting more complex.

Hugh O'Shaughnessy

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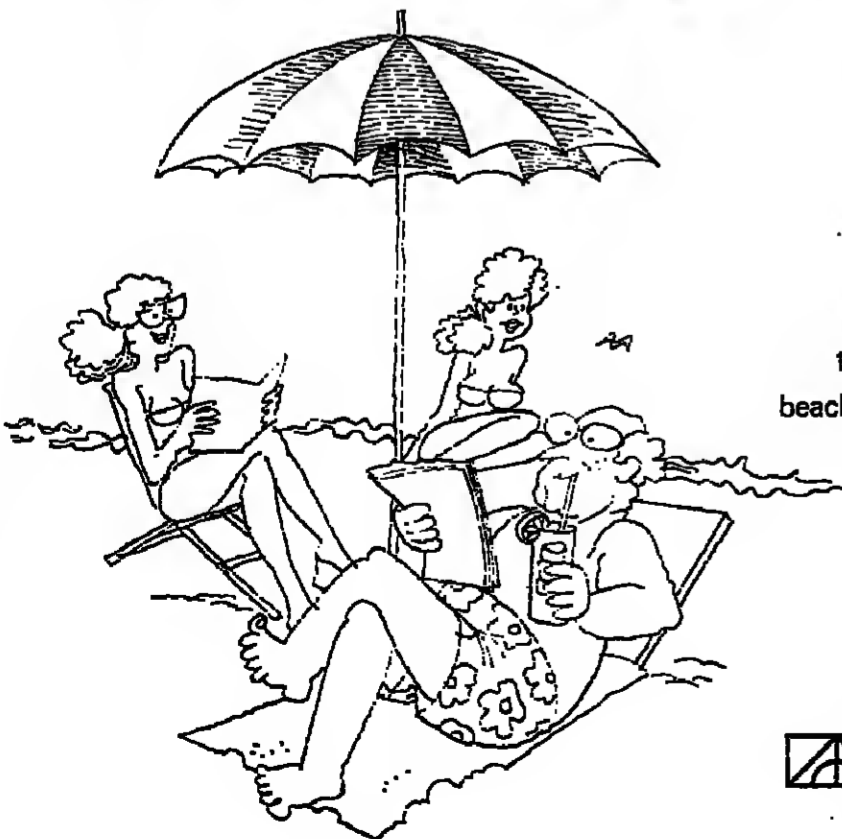
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Minas expanding fast

BELO-HORIZONTE, the capital of Minas Gerais State, set in one of Brazil's most mountainous regions, has none of the oceanside languor of Afro-Brazilian cities such as Salvador.

It is the hyperactive home of 2m "mineiros"—which means both miners and denizens of Minas Gerais—a place growing too fast with outcrops of high rise buildings spreading into acres of once rural land.

"Belo" as it is commonly known, is the epitome of Minas Gerais itself. Brazil's fastest-developing state. There is a Southern European feel about the place—with its manicured traffic, beautiful mountain towns and villages, and aura of Piedmontese industriousness.

The Italian inference is heightened by the presence in the new industrial estate of Belli Flat's new \$600m, 13,000-bed plant and foundry, and growing numbers of jaunty Fiat 147s darting through the Minas traffic.

The Fiat connection is not confined to manufacturing; the corporation has set up an Italian School and cultural foundation. It has, moreover, provided eager clientele for a number of new Italian restaurants in Belo, patronised also by members of 23 smaller Italian industrial ventures.

Backdrop

Generally paying higher wages than Brazilian concerns, Minas Gerais' new foreign guests are exercising a multiplier effect on the state's economy (FIAT provides three indirect jobs for each direct one), inducing young men to remain, not migrate, and attracting service or component oriented Brazilian concerns.

Street life in Belo, coloured by groups of bystanders heatedly arguing politics or football, strolling musicians, hard-sell vendors and fast walking crowds, now unfolds against a backdrop of new banks, shops, hotels, restaurants and office buildings, dwindling slums and spreading workers' housing estates.

Large, medium or small factories seem to sprout overnight in the industrial districts that encircle Belo, and arise further to the south to the state hoping to avoid the pollution that has poisoned, where factories are over concentrated.

Minas authorities are demanding green belts and stringent waste or fume controls. So far, the mistma seems to have been avoided, despite the fact that much of Minas' industry is heavy metallurgy.

This is no coincidence: the state is the source of Brazil's iron ore, of which \$800m was exported in 1978 by the government-owned Companhia Vale do Rio Doce and private companies.

Iron ore is not the only mineral asset. The bulk of Brazil's 192,000 tonnes of uranium reserves lies in the Pocos de Caldas area: the south of the state is rich in phosphates and lodes of precious or semi-precious stones of Diamantina, named after one lucrative commodity.

In the Portuguese colonial era there was abundant gold, but an 18th century rush enriched Portugal and depleted the mines. Today, evidence of past glory is found in the churches of the colonial monument town, Ouro Preto (black gold), covered in dazzling gold leaf.

Long ago, proximity to iron ore attracted foreign majors such as Krupp, Mannesman and Belgo Mineira. It has bred major government-run steel mills such as Usiminas, development with Nippon Steel—now in its third-stage of expansion—and Acominas, in the advanced building stages, which is to be Latin America's largest steel works.

With Brazil's rapid modernisation, and useful location as a corridor for exports to Latin America, manufacturers of sophisticated means of transport specifically, helicopters have moved into Minas, in the guise of Aerospaiale. The huge French concern has gone into partnership with the state government and Brazilian aeronautical companies in Helibras, to assemble Lama and Ecureuil helicopters.

Minas Gerais' average annual GDP growth of 9 per cent in recent years, compared with average national growth of 7 per cent, has been spurred not only by industrialisation. The state is a major producer of coffee, dairy products, fruit and vegetables—a mixture of small farms and huge estates controlled by a small number of prominent families.

As in all Brazilian rural communities, tensions between

large landlords and tenants or independent small farmers are far from resolved, particularly since the central government has begun to devote long-overdue attention to smallholders.

Having ardently wooed new foreign or Brazilian businesses with tax incentives, offers of state Government shareholding, land incentives and assistance with infrastructures, the Minas authorities, in this era of energy crisis, rampant inflation and rising cost of Government, are considering whether it is time to pause for stock taking.

Meanwhile, in recent months, Minas Gerais' political idiosyncrasies have caused recurring headaches to a central government that, with all due caution, is liberalising Brazil.

Confidence

Under the able, cool-headed 1975-79 state administration of Sr. Aureliano Chaves, now Vice-president of the Republic, the wilder aspects of Minas Gerais' political passions were largely kept in check. But Sr. Chaves' successor, Sr. Francisco Freluz, appears to have some difficulty keeping local politics on an even keel, or inspiring similar public confidence.

The State's Right-wingers are generally considered the most militant in Brazil, often avid supporters of tempestuous bodies such as the CCC (Comando de Caca aos Comunistas—the Communist Chaser Command). Patently irritated by the implications of incipient democracy and freedom of expression shown by better-organised workers and

embryonic tax reforms due to bite at hitherto untaxed inherited wealth, the Minas extreme Right wing has grown increasingly restive.

The extreme Left, less influential and smaller in Minas, but no less zealous than the extreme Right, is no more innocent of disruptive efforts in Belo Horizonte—though for different reasons. The gauchistes, urgently in search of a cause—appear anxious to provoke a military clampdown, exposing liberalisation as a "facade" and recruiting putative victims of new repression to their ranks.

However, aside from police brutality in Belo where forces of law and order appear reluctant to master crowd control techniques promoted in other major Brazilian cities, there is little danger so far that Minas Gerais will be the launching pad for another era of Brazilian authoritarianism.

Availing himself of his widespread popularity as a peripatetic president, Sr. Figueiredo frequently visits Minas Gerais (and other potential hot spots) rallying personal support.

Probably inevitably, aggressive Minas Gerais has become for the moment an uncomfortable example of the country's problems. Nevertheless, the central Government still upholds its much repeated resolve to reconcile and democratise Brazil and Minas' economic successes are a stronger selling point than the rebelliousness or atavistic longings of its less moderate citizens.

Diana Smith

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مركز التحويل

Big banks consolidate

IN LAST APRIL'S package of government measures aimed to increase support for agriculture, the applications which Brazil's private banks are obliged to make in the sector at reduced interest rates were raised from 10 to 25 per cent of their current account deposits.

This is indicative of the government's concern to combat inflation by bringing resources out of the financial area and back into production, particularly agriculture. Sr. Delfim Netto, planning minister who moved to take the portfolio in August, has rejected his predecessor Mario Henrique Simonsen's recessionist policies in favour of the so-called "option for growth," which will require even more effort on the part of the Brazilian financial community if it is to succeed.

When the National Monetary Council (CMN) decreed the reduction of lending rates by 10 per cent in August, it seemed that the government really had decided to take a stand on the inflationary effects of credit. However, there was little indication of how banks were to reduce their rates: they had to wait more than two weeks for specific instructions from the central banks, by which time bankers were admitting in private that they had a number of ways of getting round the problem, such as raising the compulsory deposit which borrowers have to leave in their coffers.

Since the Figueiredo Government took office in March, there have been repeated declarations by Ministers of the need to "discipline" what Sr. Simonsen termed the "savagery" of the open market. The market, which theoretically should be a government regulator of the money supply, has in practice always been used by government and private enterprise as a source of non-operational profits, and so has become inflationary rather than an instrument for fighting inflation. The one obstacle to open market changes in the initial line-up of the administration was the Central Bank president, Sr. Carlos Brando, who was responsible for setting up the market in 1-968.

However, with Sr. Brando's exit from the post, at the same time as the change of Planning Minister, the way seemed clear and a mood of nervous expectancy should be detected among market operators. When the package finally came, on September 19, it was received with considerable relief.

While reducing the possibility of individual speculators operating on the market by increasing the price of LTNS (National Treasury Bonds) and lengthening their duration, the package did little to interfere with the operations of the major financial institutions in this area.

The most significant anti-inflationary measure taken by the CMN was the creation of a clearing house for Treasury papers. This will greatly reduce the inflationary flow of these bonds, since it eliminates the use of cheques in open market operations and speeds up the compensation process.

Measures

At the same time, other measures were taken in what seemed to be a conciliatory move by the authorities, the minimum period for deposit accounts was returned to its pre-April level of 180 days, having been raised to 360. The measure was known to have been unpopular with investment banks, which rely on such accounts for the bulk of their resources.

As a whole, the CMN's latest package was well received by the financial community. Sr. Mandel de Souza of the national association of open market thought that the measures were positive ones, although he admitted that they will require a considerable effort on the part of smaller institutions.

This is because a new minimum capital requirement was introduced: for partial operations on the market, an institution must have at least Crs 20m (€0.3m) and Crs 30m (€0.5m) for full activities.

One broker went further than Sr. De Souza and commented that "the selective criterion of capital reveals the concern to limit the activities of smaller, independent institutions, benefiting the big banks, which will continue to do just as they like... things are getting increasingly difficult for non-bank entities."

If this opinion is correct, the CMN measures represent a further move by the Brazilian government to encourage the concentration of activities in the financial sectors, on the grounds that it will be a stronger, more solid area as a result. Certainly the private banking sector has undergone numerous mergers, with 219 banks going out of existence since 1968. This has

led to a consolidation of the country's biggest banks, such as Bradesco and Itau, which have stepped in to buy up the disappearing smaller institutions.

Life has been made difficult for the small bank in a number of ways. One is the restriction on permission to open a branch. For a bank to open a branch in a profitable area, i.e. a major urban centre, it must undertake to open another so-called "pioneer" branch in an underdeveloped area determined by the government. Such branches are "highly unprofitable in the short term, so that only the big banks can afford such ventures. The only other alternative for a bank to expand its branch network is to buy another bank, again an option open only to the major institutions.

The consolidation of the country's biggest banks has also led to the formation of conglomerates, groups of banks and financial houses operating under one name in a number of areas. This tendency has increased as government controls have limited the traditional sources of a bank's funds.

Every conglomerate now has its investment bank. These institutions were originally set up to finance long-term infrastructure projects—the private sector's answer to the State-run development banks. However, while the latter—and particularly two huge development banks—have largely fulfilled

their designated tasks, the investment banks have increasingly moved into short-term operations identical with those of their sisters, the commercial banks, which head the conglomerates.

The highest participation of long-term loans in the sector's operations was in 1978, when it reached an insignificant 7.1 per cent. While their short-term operations make them indistinguishable from the ordinary private banks, however, they offer a number of other advantages. First, they are the only banks which can issue bank deposit certificates, papers very popular in open market activities.

Second, they can have up to 33 per cent of their voting capital controlled by foreign banks, an important concession in a country where the latter's entry is strictly limited in all other areas. The investment banks have come to be viewed therefore as the point of penetration for foreign financial institutions.

As for the development banks, only two are of any importance: the National Economic Development Bank (BNDE) and the National Housing Bank (BNH). Both handle enormous amounts of federal resources. The BNDE's annual report for 1978 indicates that the bank's total outlay for the year was \$4,099bn, greater than those of the World Bank. At that time, the BNDE's capital

plus assets was \$3,778bn, exceeding that of the Bank of America, the world's biggest bank.

The bank has more than \$2bn worth of participation in companies in all areas of production, from Matfersa, a metallurgical company, through Caraiiba Metais, a mining operation, to the Companhia Editora Nacional, a major publishing company.

According to Sr. Luis Sande, the BNDE's president, the bank will now move gradually into agriculture and agro-business, with financing outlay of Crs 5bn (€900m) in 1979, increasing annually until 1984, when it will reach Crs 108.6bn (€1.8bn).

The BNH is the recipient of the massive guarantee fund paid by employers on the basis of workers' salaries. Eight per cent of all wages are paid into the fund annually. The BNH is also active in the country where it will finance the construction of the "economy house" for rural labourers.

The price the private banks have had to pay for a prolonged period of virtually free operation on the open market is a high level of state interference, not only via competition by state-run banks but also by restrictions on the bank's capacity to attract deposits. As a result, the conglomerates have been moving into new areas to find alternative sources of income.

Thus it is now estimated that about 40 per cent of insurance companies are controlled by



Part of the banking quarter in Rio de Janeiro, with the Petrobras building (right) and the National Housing Bank on the left

banks, and the top ten leasing companies with 76 per cent of the market, all are part of banking conglomerates, either Brazilian or foreign. The biggest company in the sector is Maofacturers Hanover, a subsidiary of the fourth biggest commercial bank in the U.S. The company leased goods to the value of Crs 2bn (€30m) and controls 20 per cent of the market in Brazil. Leasing and insurance were defined by one banker as

"the areas of greatest expansion for banks in the immediate future."

The other trend many observers predict for this year is an increasingly direct participation by banks in financing industries and agro-businesses. The idea of closer co-operation between finance and the productive sectors was proposed by Sr. Netto shortly after his move from the Ministry of Agriculture to that of Planning. ■

suggested the formation of conglomerates of banks and industries in the national cause of increased production to counter inflation.

This idea was received with little enthusiasm, however. As one observer put it: why should the banks take on the responsibility of ownership of industries, and in so doing become customers?

Rik Turner

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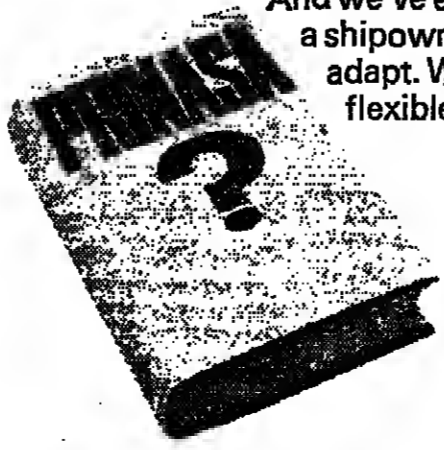


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BRAZIL VI

Ambitious plans for alternative fuels

BRAZIL MUST import 45 per cent of its energy needs. This means about 1m barrels a day of crude oil for which the bill in 1978 will come to \$7bn, or 47 per cent of overall imports and 47 per cent of overall exports.

With a 2.5 per cent annual increase in population (now 120m) and rapid industrial development, Brazil's oil derivative consumption has grown at about 8 per cent a year. Fuel oil, diesel and petrol account for 77 per cent of daily crude consumption of nearly 1.2m barrels, of which domestic wells supply only 15 per cent.



The Volkswagen car assembly plant at Sao Paulo. Government representatives and motor industry leaders have pledged to make the alcohol-driven car a common sight on the roads next year.

The search for offshore and onshore oil is costing about \$1.3bn a year. Results so far have been modest but the Government has set a target of 300,000 barrels a day for 1985, partly drawing on risk contracts with foreign oil majors to help to hasten new discoveries.

Oil derivatives must remain the primary—and expensive—material for a wide range of needs, but with considerable dynamism Brazil is developing several alternative energy sources.

Hydro-electric reserves of nearly 200,000 MW are being channelled rapidly, either by big dams like Itaipu on the Parana River or smaller units in the north and north-east.

A controversial \$13bn nuclear energy plan involving supply of eight pressurised water reactors by Germany's Kraftwerk Union is going ahead, despite serious construction troubles and persistent public criticism. The programme involves not only absorption of nuclear electricity generation know-how but also enrichment reprocessing and equipment manufacturing technology. The government hopes this will place Brazil among major world suppliers of nuclear equipment and services. The country has domestic reserves of 193,000 tonnes of uranium ore.

average planted area of 12,500 acres. Average investment in each unit runs at just under \$1m. 40 per cent for the agricultural side and 60 per cent for construction and equipment.

The 81 distillery projects approved since 1975 are keeping one branch of the capital goods industry at full stretch. Future plans allow room for new manufacturers. Some 80 per cent of the industry is concentrating in prosperous Sao Paulo, with two groups Dedini and Zanini, dominating the domestic market and beginning to export.

The interest shown by foreign governments in Brazil's alcohol programme makes the export potential for technology or equipment considerable. So far agreements have been made with the Philippines and Guyana Governments for assistance in their alcohol programmes, while numerous developing country governments have made firm enquiries about possibilities of co-operation.

Practical

While everything from solar through wind to tidal energy is being looked at, Brazil's most practical and ambitious plans for alternative fuels for industry and transport lie in two areas.

Coal reserves of 12bn tonnes, albeit of high ash and sulphur content, will be used to fire boilers first of the cement industry and then other sectors. With a \$7bn allocation for mining, transport and improvement of coal over the next six years, fuel oil savings will eventually equal 170,000 barrels a day of crude.

Meanwhile, Brazil's broad spectrum alcohol programme is unique. The heart of the matter is biomass potential—some 5.5m square miles of territory, including vast tracts of arable land, receive a particularly high ratio of sunny days per annum.

The motor industry sees strong chance of selling alcohol vehicles abroad as the significance of Brazil's fully integrated programme begins to be understood internationally.

This programme is not only designed as an oil saver, increased cane planting areas and new distilleries are expected to create jobs in backward rural areas suffering from depopulation and, in the long run, to redistribute income socially and regionally.

Since a sizeable share of alcohol production will be directed in time to the long-poverished north-east, it is hoped this traditional cane producing area will benefit from higher employment and tax revenue (VAT).

There is of course nothing new about cane alcohol as a motor fuel. In 1923 alcohol cars ran on Brazil's roads but oil proved vastly cheaper. Development was shelved.

In the mid-1970s, however, as oil prices rose, alcohol was reconsidered, albeit slowly. Finally, this year's OPEC increases resolved the argument. It is estimated that a litre of cane alcohol will cost about Cr7 (26 U.S. cents). Even if it were more the foreign currency savings now patently justify the outlay.

Cane is not the only raw material for producing ethyl alcohol. Mucodioc (cassava), sweet potato and pineapples, among others, offer equally useful yields.

Efforts

So far cane has been favoured, because manioc is a cottage crop, often inefficiently farmed. Nevertheless a pilot manioc alcohol plant set up in Minas Gerais State has given interesting results. Efforts are now under way to develop a harder root and better yield per acre.

There is also the eccentric fringe of alternative fuels: quince, castor beans, the dense and babaco palms and a variety of trees and plants whose fruit offers diesel-like properties. All these are being considered, as is eucalyptus ethanol (not methanol because of its toxic effects), but technicians are still opting for proven crops and processing methods while admitting anything is possible in the long run. A castor alcohol mixture is being tested in some urban buses, with satisfactory results so far.

While Brazil's researchers work on new sources the Government perpetually exhorts its citizens to save fuel. This may be the hardest task of all. Brazilians are particularly impervious to the need for maintenance of vehicles and boilers to prevent waste.

The country's car industry is only 25 years old and 8m Brazilians are proud car owners and use them on every possible occasion. Sporadically enforced fuel-saving speed limits are often blithely disregarded, giving Brazil the grim distinction of the highest fatal accident rate in the world—27 in every 10,000 vehicles. Meanwhile motorists fill their tanks throughout Fridays to make up for Saturday and Sunday pump-closing. A city like Rio de Janeiro, with one car for every 10 of its 10m inhabitants, is

consumption the administration has increased road tax by 50 per cent and petrol by 100 per cent since January—a form of price rationing that has, so far, not visibly affected the number of vehicles on urban roads.

Increased road tax has a dual purpose—as a price deterrent and as a source of funds for the new National Energy Fund, of which one-third will go to alcohol production, with \$400m allocated for 1980.

Some Brazilian driver respond to the alcohol vehicle vogue with the sticker "Only the driver runs on alcohol."

In an effort to reduce petrol

Diana Smith

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ASSETS		1978	Reclassified 1978
CURRENT ASSETS			
Cash and marketable securities	467	543	
Accounts receivable	1,765	1,161	
Inventories	1,731	1,190	
Other	132	198	
	4,095	3,092	
NON-CURRENT ASSETS			
Marketable securities	46	5	
Installments receivable	34	22	
Affiliated companies	126	93	
Foreign oil exploration cost	(101)	(93)	
LESS: Provision for losses	25	61	
Other accounts receivable	23	99	
	5,569	3,665	
PROPERTY, PLANT AND EQUIPMENT			
INVESTMENTS	343	102	
DEFERRED CHARGES	247	171	
	10,426	7,129	
LIABILITIES			
CURRENT LIABILITIES			
Financing, suppliers and contractors	1,451	1,129	
Taxes payable on oil products and other taxes	379	757	
Dividends payable - prior years	157	75	
Other accounts payable and accrued expenses	234	177	
	2,921	2,088	
NON-CURRENT			
Long term financing from banks and suppliers	1,325	953	
Other accounts payable and accrued expenses	103	101	
	1,428	1,054	
MINORITY INTEREST IN SUBSIDIARIES			
In capital stock	56	72	
In reserves and retained earnings	46	32	
	102	104	
STOCKHOLDERS' EQUITY			
Capital stock	2,206	981	
General Reserves	3,815	2,934	
LESS: Minority interest in general reserves	(46)	(32)	
	5,975	3,883	
	19,426	7,129	
Exchange Rate June 30	25.66	25.66	
CONSOLIDATED STATEMENT OF INCOME (US\$ MILLION)			
	1978	JAN/JUN 1978	Reclassified 1978
SALES	7,142	4,446	
LESS: TAXES ON OIL PRODUCTS AND CHARGES RECOVERED FROM CUSTOMERS	(2,111)	(1,347)	
NET SALES	5,031	3,099	
COST OF SALES	(3,528)	(2,225)	
GROSS MARGIN	1,503	874	
OPERATING EXPENSES	663	263	
OPERATING INCOME	440	611	
NON-OPERATING INCOME (EXPENSES)	16	13	
INCOME TAX	(67)	(45)	
EXCHANGE VARIATIONS	(53)	(138)	
NET INCOME	346	441	
Exchange Rates			
Average		23.25	
June 30		25.66	

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مركز من الأصيل

BRAZIL VII

Union movement grows

BRAZIL IS emerging from 14 years of military rule, during which time the "Brazilian economic miracle" was performed. The economy reached growth rates of 10 per cent per annum at the turn of the decade and might have continued at this rate but for the 1973 oil crisis. However, the cost of the miracle in social terms was high.

Brazil's military rulers inherited a set of labour laws inspired by Mussolini's Fascist legislation in Italy and these they strengthened and enhanced. Workers found themselves faced with corporatist unions totally subjected to the

state, annual wage agreements in which increases were decreed by the Government according to a never-revealed "scientific" formula and strike legislation that made it all but impossible to use industrial action.

As a result, the purchasing power of wages decreased by more than 100 per cent in ten years, a fact admitted even by employers' associations, and in 1977 it was revealed that the government had manipulated the figures for inflation in 1973, so that wage rises in that year were not in keeping with the cost of living.

Over the last two years, however, the union movement has

been growing in strength and audacity, so that today there is a considerable discrepancy between the letter of the law and the reality of the situation. While strike law remains unchanged, strikes have become an everyday occurrence.

Brazil's most important unions, the metalworkers in the industrial zones around Sao Paulo (including all the major car companies), went on strike as the new government took office in March this year, after two weeks of unsuccessful negotiations. Sr. Murilo Macedo, Labour Minister, declared the three unions under intervention, a legal instrument com-

monly used by authoritarian regimes in Latin America whereby the State musts elected leaders and replaces them with its own men—usually military officers.

Sr. Luiz Inacio da Silva, or "Lula," the ousted president of the biggest of the three unions, reassumed control of the movement after two days in the capacity of what he termed the "de facto leader" of the workers.

Since the metalworkers, a number of other sectors have gone on strike. Sao Paulo local government workers, bus drivers, car workers at the FIAT diesel factory in Rio de Janeiro, doctors, journalists and teachers.

A strike by construction workers in Belo Horizonte, the country's rapidly-expanding third industrial centre, led to a situation of virtual civil insurrection at the beginning of August, with an estimated 20-50,000 men taking to the streets of the city centre and creating havoc, smashing shop fronts and burning cars. The fracas resulted in one death, when a worker was hit in the chest by a teargas bomb.

The government has shown itself willing to revert to a hard line throughout the year although, according to informed sources, President Figueredo's Cabinet was against the decision to intervene in the metalworkers' unions, with the exception of one member: the head of SNI, the military security organ in which the President himself began his career.

In September, a bank employers' strike in the southern capital of Porto Alegre brought intervention and the imprisonment of all 16 leaders of the union.

As the democratisation process opens spaces for parties on

the Left workers and labour leaders such as Lula receive overtures from politicians eager to incorporate them into their particular group. There has been much speculation especially with the return from exile of political figures such as the former State Governors Sr. Leonel Brizola and Sr. Miguel Arraes, and the central committee of the Communist Party of Brazil.

However, it would seem the workers have decided to go it alone. This month will see the first meeting to articulate the formation of a Workers Party, which will count on the membership of Lula and the metalworkers, and the logistic support of the respected inter-union data centre and study group, Diessa.

Trend

The Government, meanwhile, is preparing new legislation, beginning with a law on wage rises, timetable for the beginning of November.

This law is considered by workers and employers alike to be a backward step in terms of economic democracy. It reaffirms the role of the state, introducing six-monthly wage increases based on inflation indices, when the trend over the last two years has been increasingly towards direct negotiation between the two sides in industry.

However, with a congress where the Government party has a majority despite having received a minority of votes in last November's election, the law is likely to be passed. To what extent it can be imposed within the context of a re-democratised Brazil is another matter.

Rik Turner

Eurobraz

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Soap operas grip TV audiences

AFTER WEEKS of bewilderment, I think I've got the gist of "Os Gigantes"—the Giants—the latest six-month long, multi-million dollar, prime time novela aired six nights a week by TV Globo.

Loosely "novela" means soap opera. Rather than soap TV Globo's up-market commercials sell cars, clothes, cigarettes, whisky and luxury flats.

Globo—Brazil's most popular network—shows three novelas a night, at six, seven and eight o'clock.

Eight o'clock brings the blockbuster that holds tens of millions of Brazilians to their screens with books of passion or, if ratings slip, murder and mystery.

Sprinkled with myriad subplots and sub-characters, "Os Gigantes" is about Paloma, a feverish 40-year-old heiress from the tiny interior town of Pilar. Not only is she single, she is a foreign correspondent in Rome. Was, that is. She abandoned Rome for Pilar, where she works as a pilot's wife. Piper Cub, chats to her being father and suffers flashbacks to childhood.

Fernando and Francisco, both dairy farmers, have lusted after Paloma since puberty, so far with little progress beyond fiery glances and ditto kisses. Nevertheless, Fernando's wife and Francisco's fiancée are furious.

Francisco has a problem (apart from a painful passion for Paloma): His cows have foot-and-mouth disease. Further, the fearsome foreigner Edgardo Novak has opened a branch of the mighty milk multi-national, Welkson, putting Fernando and Francisco's small-scale dairies at risk.

Meanwhile, Paloma's heritage is threatened by sinister sister-in-law, Viridiana, widow of Paloma's brother Fred on whom Paloma pulled the plug to put him out of the agony of terminal cancer. Viridiana wants the ranch and she has decided that Paloma is a certifiable lunatic because her morals are loose.

This drama unfolds in glorious technicolour if you can afford \$800 a set. Some people can: more than 500,000 new

colour sets were sold last year. Meanwhile, much of the submerged third of the population living on less than \$70 a month—40m people—goes without proper food to pay hire-purchase on their TV sets. What they think of the likes of Paloma and the glossy commercials that punctuate the heavy breathing remains to be polled.

The procession of fantasy-fuelling novelas such as "Os Gigantes" has been filling the screens for the last 15 years. The more improbable the plot, it seems, the more Mrs. or Miss Rio de Janeiro. Sao Paulo or Curitiba sighs, eyes her husband or boyfriend and wonders why he cannot match up to fuming Fernando.

In 1979, however, something close to realism is infiltrating TV Globo. The one-time 10 pm novela slot has been filled by three-weekly series, rising like ruffled phoenixes from the ashes of doty fantasy. The protagonists are a financially-crippled, thorny, middle-aged divorcee, a sagging, bad-tempered, middle-aged reporter, and two scruffy, foul-mouthed long-distance lorry drivers.

If anyone forgets the name, at regular intervals scantily-clad ladies with gaudy feathers burst on screen yelling "Fantastico" and forming the shape of a scorpion. Don't shoot the art director, he is doing his best.

Having booked Brazilian housewives and husbands for years, the novela is now traveling abroad. First to Portugal (logical, the language is the same) with the TV adaptation of Jorge Amado's earthy "Gabriela," a minor Brazilian classic, which in 1977 brought Lisbon and other parts of the country to a halt at eight o'clock sharp nightly.

After the wildly-successful "Gabriela," Portugal saw less meaty Globo novelas more typical of computer programmed plots drawing lugubriously on guilt, religiosity and astrology. Portuguese ladies, considerably liberated after the events of April 1974, were not impressed.

Dubbed into Spanish, the novela moved on to Mexico, thence to New York and the Puerto Rican TV channels.

Lately, it has penetrated even revolutionary, Portuguese-speaking Angola, apparently taking the people by storm.

Back home on TV Globo, something else besides novelas is grabbing viewers: the weekly "Planeta dos Homens"—"Planet of the Men"—starring the once-muzzled caricaturist, Jo Soares, a leading Brazilian comic.

Soares' favourite target is the exuberant Planning Minister, Sr. Antonio Delfim Netto. Taking Sr. Netto's middle name, Delfim, which means dolphin, Soares has given viewers "Dr. Sardine" who wants "Plans, more plans, give me plans. Planning is my business."

Hardly a year ago, this cheerfully guying would have sent Jo Soares down for *lese ministere*. A year ago, indeed, television was still a tied vehicle for direct or indirect pompous State propaganda.

But times have changed. The Brazilian people are being allowed to grow up and learn to assume their responsibilities and rights. It seems that one major right is freedom from anaesthetic television.

Diana Smith

This is the most important leaf in the history of Brazilian exports.

There is a year which Souza Cruz remembers with special fondness: 1918, when bright tobaccos growing started in Brazil.

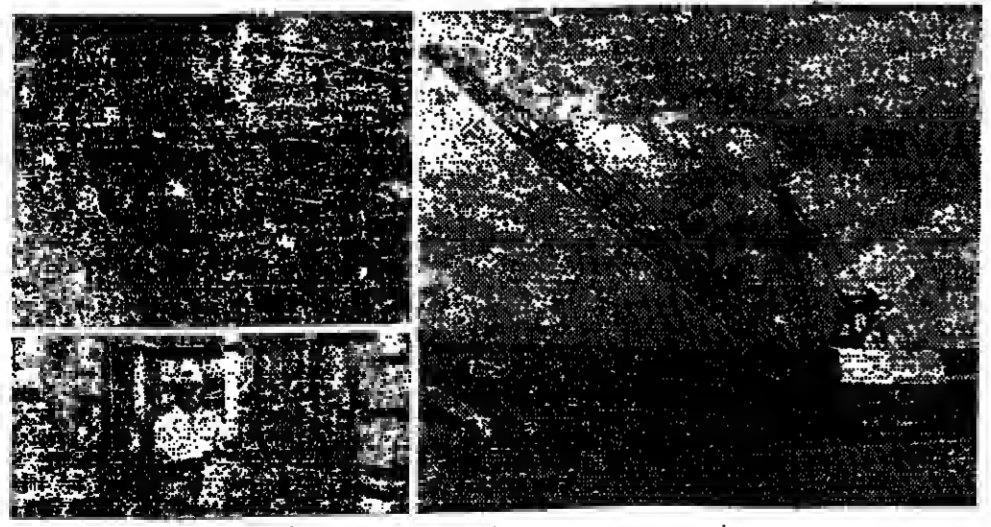
Who could believe in the success of such a pioneering step? Souza Cruz did - and carried out research, developed techniques, encouraged farmers.

The result: leaf tobacco exports have become an important factor in Brazil's balance-of-trade.

In 1979 alone, Souza Cruz will bring into Brazil about 72 million dollars of foreign currencies. But the story doesn't end here. We still have a lot of leaves to grow.

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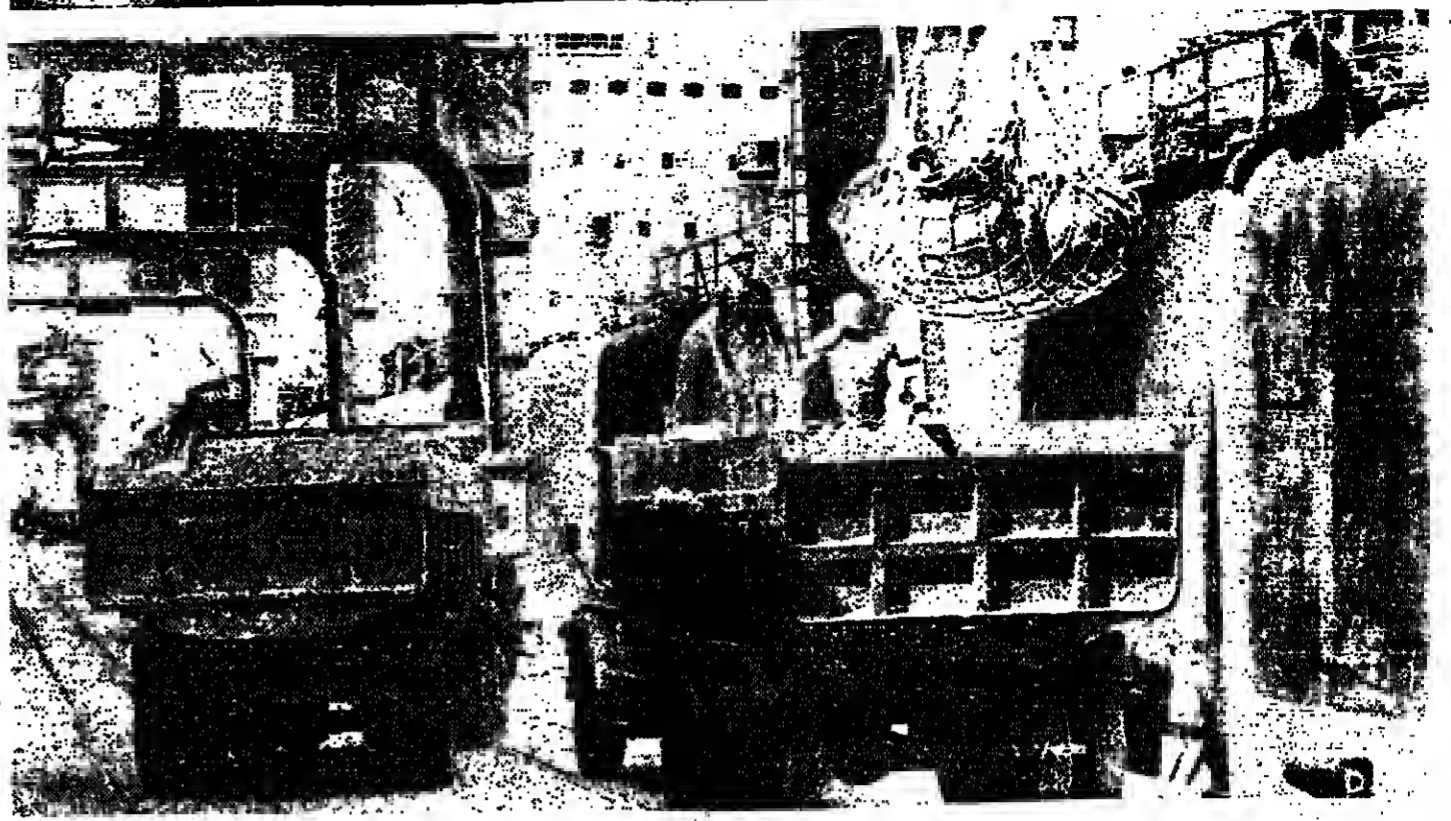
BCI British Coal International
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BRAZIL VIII



Sugar for export is loaded in the docks at Recife

Agriculture given a high priority

THIS YEAR was dubbed the Year of Agriculture by the Government of President Joao Baptista Figueiredo when it took office in March, and to underline the sector's newly-acquired importance, the Ministry of Agriculture was put into the charge of Sr. Delim Netto, the economic brain behind Brazil's "miracle" of the late 1960s and early 1970s.

Since then Delim has moved upstairs, replacing the more recessionist Mario Henrique Simonsen as Minister of Planning at the beginning of August. Nonetheless, the Government's emphasis on agriculture is unchanged, and Sr.

Delim's replacement at the ministry, Sr. Amaury Stabile, is known to think along the same lines as his predecessor.

An "agro-package" of government measures in May was the first of a series of moves to increase support for the sector. The objectives were bumper crops to help Brazil's ailing balance of payments by both decreasing imports such as wheat, corn and rice and increase the country's traditional agricultural — coffee and soya. Agriculture is being given a high priority and to feed Brazil's expected 120m population by the end of the century.

It is also hoped that a strengthening of agriculture will reverse the problematic trend of migration from the country to the already overpopulated and overstrained urban centres.



Cows being vaccinated. Livestock projects designed to aid Brazil's ailing beef industry have not proved particularly successful.

Actually, this year the Rio de Janeiro Stock Exchange is celebrating 102 years of stock-exchange quotation activities.

For the operators, these 102 years have voiced yells to the bearer shares, preferred screams, nominal shoves.

For the investors, the Stock Exchange's history has shown that these 102 years have delivered sure and guaranteed profit.

And for the Rio de Janeiro Stock Exchange itself, this century revealed great victories.

For instance:

The BVRJ (Rio de Janeiro Stock Exchange) has, today, 60% of the national volume of negotiations, trading stocks of the most important companies in Brazil.

The Rio Stock Exchange has earned its place as a member of both the FIBV-International Federation of Stock Exchanges and the Spanish-American Stock Exchange Federation. And this is not all. The BVRJ is the Stock Exchange which offers investors and brokers the most services, such as, for example, custody, ANA and it is also the one which is equipped with the largest number of Video Terminals. These are 200 sets, leased throughout the country.

All this has been achieved from the most serious and consistent work performed over this century of vociferation.



Bolsa de Valores do Rio de Janeiro

Pca. XV de Novembro, 20
Rio de Janeiro
Brazil

Besides yelling screaming and shoving lots has happened over this last century of stock-exchange transactions.

The May package was basically a series of measures expanding and facilitating the financing of agricultural activities, particularly those of the small and mini-producers who are still responsible for the bulk of the country's agricultural production.

These measures included the removal of limits on agro-financing by the Banco do Brasil, an increase in resources available to producers' co-operatives (from £1m to £3m), an increase in investment obligations for private banks in the agricultural sector from 10 per cent to 25 per cent of their total deposits.

Then in August came the next important step: the National Monetary Council raised the minimum support prices on all agricultural products. Those prices are a major factor in a grower's planning of his strategy for the coming year, and the move was an incentive to grow more.

According to Delim, the Government's policy is that "everything planted will be financed, and everything harvested will be bought."

Efficiency

There are a number of special projects under way which are also intended to increase agricultural efficiency. One is the cerrado utilisation project, which seeks to put to use the "cerrado," savannah-like areas until now left untouched. The project is to be carried out by a joint venture involving a Brazilian company Brasagro and the Japanese Development Company, and will be financed by a £12m loan from the Japanese International Co-operation Agency, and a syndicate of 16 Japanese banks.

Another project is the Soya Railway, to be built over the next six years. It has been decided so far that the railway will link Cascavel, in the heart of Parana State's soya-producing area, with the port of Paranaguá. A stretch of over 300 km, from Guarapava to Curitiba, is already built, leaving another 400 km of track to be laid.

Still to be decided is a further western stretch, from Cascavel to either Foz de Iguaçu or Guaira on the Paraguayan border, and there is even talk of an extension to Asuncion, Paraguay's capital. As to the financing of the railway, to be built specifically to facilitate the movement of the country's second biggest export, a Japanese trade mission visiting Brazil in August showed interest in providing a \$215m loan.

The Government has thus succeeded in creating an atmosphere of expectation about agriculture, and it does seem that there will be an expansion in the area cultivated for the coming harvest. There is an average expansion predicted of 10-15 per cent, with higher figures for some crops (66 per cent for soya, 55 per cent for rice, 36 per cent for corn).

The demand for seeds (another indicator of increased

planting intentions) is up 38 per cent on last year for soya, 27 per cent for almonds, and no less than 179 per cent for beans. The tractor industry, after a bad start in 1979, was greatly assisted by £35m in extra credit facilities granted by the Government in May, and is now in the embarrassing position of being unable to meet all the demand, which always increases at this time of the year. Fertiliser imports have reached an all-time national record in the last month.

Thus the scene is set for bumper crops in 1980, after two years of extremely poor performance by the agricultural sector. Next year's coffee crop would have been a bumper, around 20m bags, but for frosts at the beginning of June which frustrated not only this year's crop, but represent a setback to the country's coffee strategy.

The Brazilian Coffee Institute had been boosting coffee production in Minas Gerais, so that this state, thought to be frost-free, could take over the premier position from Parana, which was hit by severe frosts in 1978.

This year's frosts affected about 34 per cent of Brazil's coffee plant population, cutting down the Minas crop for this year by 10-15 per cent, and the 1980 crop by 50 per cent. The recuperation programme, which allotted £147m to the state's planters, will take three years to bring production up to the pre-frost level.

The last two years have been ones of setbacks for much of Brazil's agricultural production. Apart from the frosts in Minas Gerais, a series of droughts and heavy rains in the southern state of Rio Grande do Sul and floods in Bahia and Espirito Santo have frustrated crops of coffee, beans, soya and corn.

The one bright spot in 1979 is an anticipated bumper crop of wheat, originally put as high as 4.5m tonnes before frosts in September forced a downward re-estimate to about 4m tonnes. However, it is pointed out that wheat has benefited from a £3bn subsidy in recent years, expanding at the cost of other crops, and even so about 2m tonnes will have to be imported this year. However, it is rather the lack of infrastructure which is concerning experts now. There are not enough roads, railways, vehicles, warehouses, silos and port facilities, and it may be that full advantage cannot be taken of any bumper crop in 1980. Ten per cent of Brazil's corn crop is lost each year due to poor road conditions. The main problem next year may well be lack of storage space at the farms.

According to Sr. Willy Fink, director of the Brazilian Association of Silo Manufacturers, there will be serious problems if the country's total crop next year exceeds 50m tonnes, as this is the country's present storage capacity.

The other major question in Brazilian agriculture this year

is the expansion of the alcohol programme, or proalcool as it is called. Brazil is seeking to dispense with a considerable amount of her petroleum imports by developing ethyl alcohol as alternative fuel. The present objective is to raise the country's annual production to 10bn litres and it was recently announced that this year Brazil is to export alcohol, since she will produce 3.5m litres in 1979.

The only fears of technicians from the Sugar and Alcohol Institute concern other crops, which may be neglected in the rush by producers to benefit from the generous credits and incentives offered by proalcool. As one put it, since alcohol is becoming the new petroleum, a lot of growers, especially in Sao Paulo State (responsible for 41 per cent of this year's production) are starting to see themselves as sugar stalks.

Apart from the problems of agriculture in Brazil's coastal states there exists still, that other reality which is the Amazon region, where successive Brazilian governments have implanted schemes which were to open up the country's last remaining frontier for colonisation and turn it into a vast source of land for crops and livestock.

Incentives

First there were the huge livestock projects, with foreign companies such as Volkswagen and Liguigas being given fiscal incentives to participate. A total of 350 projects have been opened up since 1966, covering an area of 7.9m ha, 7 per cent of which are controlled by foreign capital. Liguigas has about 500,000 ha and Volkswagen a further 100,000 ha, but such projects, involving large herds of cattle designed to aid Brazil's ailing beef industry, have not so far proved particularly successful—so much so that many big companies have pulled out in recent years.

The most notable exception is the Jari project, a major development of more than 3m ha owned completely by the American businessman Daniel Ludwig. Mr. Ludwig's project is a many-sided one, involving livestock, cellulose, kaolin, and rice, 140,000 tonnes of which are produced in three annual crops. However, this is so far destined exclusively for the project's 30,000 inhabitants.

In the Agrovilas, the colonists (poor farmers from other regions, such as Parana, Rio Grande do Sul, of Brazil's poor north-eastern region) plot beans, rice, corn and mandioca under a scheme designed by the National Institute for Colonisation and Land Reform. But experience has shown that the villages were frequently allotted infertile land, forcing the Colonos to move on. So far, Brazil's agriculture has failed to provide an answer to their problems.

Rik Turner

مكتبة الامم المتحدة

Companies and Markets

UK COMPANY NEWS

Rugby Portland interim profits down £1.27m

PRE-TAX profits of Rugby Portland Cement fell £1.27m to £5.01m for the six months ended June 30, 1979...

HIGHLIGHTS

The Lex column looks briefly at yesterday's weakness in the stock market. At home Lex considers the half year figures from Rugby Portland Cement...



Mr. Eric and Mrs. Margery Hurst, joint chairmen of Brook Street Bureau of Mayfair.

Brook St. expands to £1.2m midway

TAXABLE profits of Brook Street Bureau of Mayfair, staff agency concern, expanded from £738,490 to £1.15m for the first half of 1979...

not all that impressive—it is more a continuing recovery than a surge ahead. Nevertheless, this group, like Reed, is benefiting from a growing trend toward temporary staffing...

Marchwiel forecasting 19% decline to £11m

REPORTING a £1.8m fall in mid-term profits to £3.42m, Mr. A. J. McAlpine, chairman of Marchwiel, forecasts that the full-year taxable surplus will be lower at about £11m...

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Current dividend, Total dividend, Total last year

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issues. †On capital increased by rights and/or acquisition issues. ‡Final of 3.5p forecast. § Malaysian cents throughout. ¶ For 13 months.

Table with columns: 1978, 1979, 1978, 1979. Rows include Turnover, Profit before tax, Taxation, etc.

the inclusion of the rental rather than the gross operating revenue reduces turnover. Overseas turnover was also affected by a decrease in sales from Cockburn Cement...

the new plant, which cost A\$22m, had to some extent an adverse effect on its routine operations up to June 30. On increased capital earnings per 25p share are shown as 4.4p (same), and the interim dividend is increased to 2.2p (1.865p) net—last year's final payment was 2.055p.

W. Canning down to £527,000 at six months but confident

DIFFICULT TRADING conditions in the UK and a turn-around into losses at its Australian subsidiary meant that pre-tax profits of W. Canning, electrical and mechanical engineer, fell from £717,000 to £527,000 for the six months to July 1, 1979...

Nevertheless, they are confident that the underlying strength of the group, supplemented by the acquisitions made during the last two years, new products introduced and the reorganisation of its traditional activities, will enable it to surmount the current difficulties and to prosper.

The strength of sterling resulted in an exchange loss of £63,000 and caused a drastic reduction to export profit margins in many of the company's traditional overseas markets.

Table with columns: Six months, 1978, 1979. Rows include Turnover, Profit before tax, Taxation, etc.

W. Tyzack profits down 7.2%

PRE-TAX profits were down by 7.2 per cent from £541,274 to £502,015 for W. A. Tyzack and Co., precision engineering component maker, for the year ended July 31, 1979, reflecting difficult trading conditions.

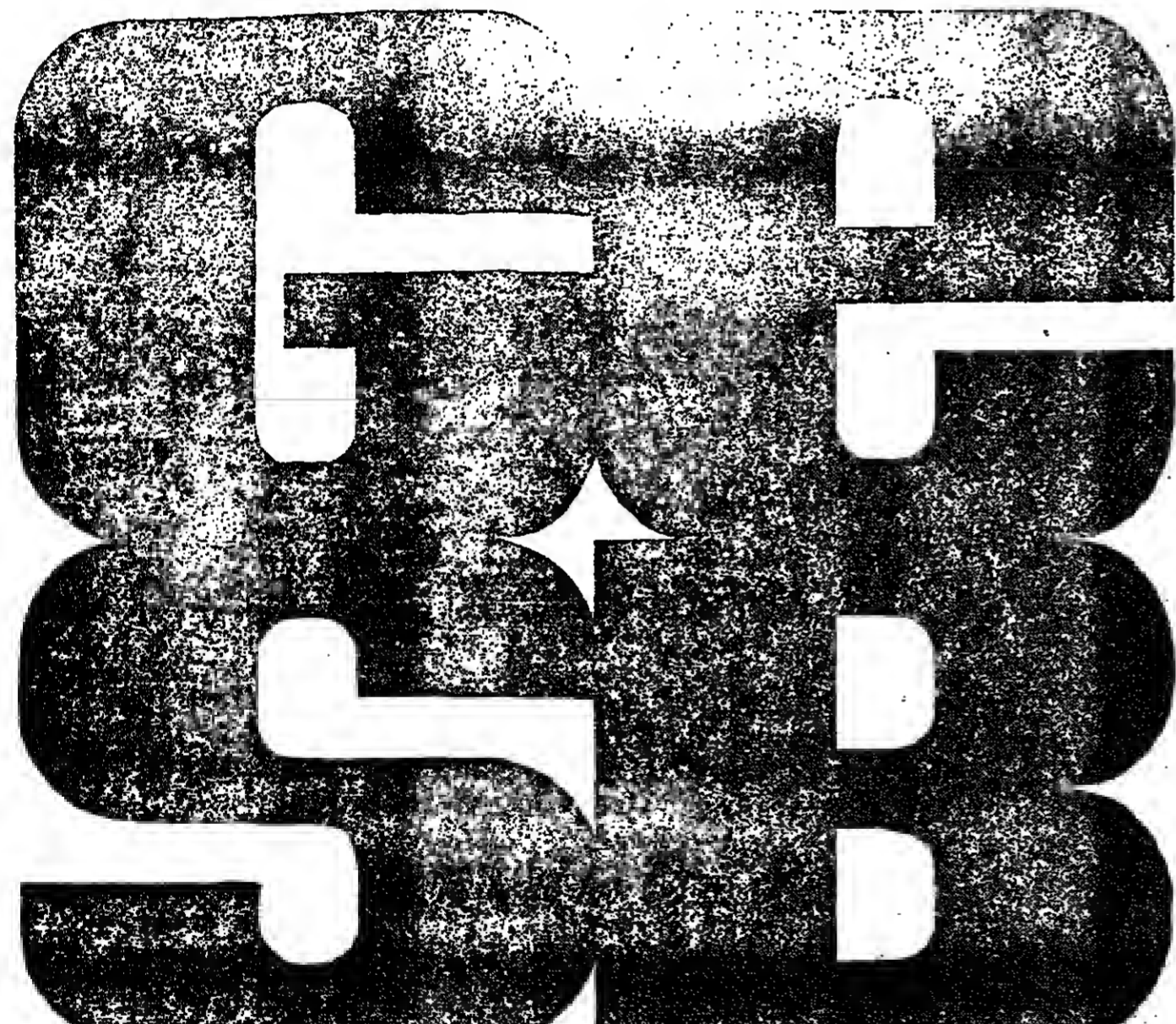
Strong & Fisher recovers with £2m—sales buoyant

AN ACCELERATION in the recovery seen for the first half at Strong and Fisher (Holdings) enabled the clothing and fashion leather tanning group to end the 12 months to June 29, 1979, with taxable profit more than trebled to a record £2.12m.

Strong and Fisher's full-year figures show a full recovery on an annualised basis, thanks mainly to an impressive exports performance. Over the past four years exports have tripled to £18m, giving the company a much-needed buffer against the vagaries of the home market.

MFI puts £6m into Northants distribution site

MFI Furniture Group has completed the purchase of a 31.5 acre, 99-year leasehold site in Northampton for its new national distribution complex, to replace existing premises in Bedford. The total project involves an investment of more than £6m, and the group has an option for a further 10 acres.



Brazil, one of the few countries in which the insurance industry has been expanding constantly over the last ten years. For reinsurance in Brazil, consult GESB GRUPO DE EMPRESAS SEGURADORAS BRASILEIRAS

SHARE STAKES

Credentia International — On October 5 Sir Frederick Wood, chairman bought jointly with Lady Wood, 25,000 deferred ordinary shares. F. Wright and Sons (Assecla) Companies — W. N. Wright has acquired 35,000 shares making holding 502,495 (11.17 per cent).

IN BRIEF GRIEVESBEN MANAGEMENT — The final distribution on Endeavour Fund (income units) for period October 10, 1978 to December 31, 1978, is (1.722p) payable November 28, making total 5.258p (1.865p).

Table with columns: 1978-79, 1977-78, 13 mths., 12 mths. Rows include External sales, Trading profits, Interest, etc.

LOAN RENEWALS

Alliance Investment has renewed its loan of ¥250m from Hanscom Trust for three months to January 9, 1980, and it has arranged a further ¥250m loan for three months to January 11 with Williams and Glyn's Bank, replacing two borrowings of £1,467,670 and U.S.\$1m maturing during October.

Grindlays now in Spain. Grindlays Bank Limited have opened a representative office in Madrid. This office is one of the Group's growing international network of over 200 branches and offices in more than 35 countries around the world.

If you were a designer 8 years or so ago you had it pretty easy. The general aim was to make things look nice and perform reasonably well. If they lasted too then that was a bonus. If not - then they could always be junked for scrap.

Today we just can't afford that philosophy, a fact that the motor industry was amongst the first to recognise.

Energy and raw materials are limited; we must use them both wisely. Corrosion costs the country more than the total annual sales for the UK vehicle industry. 70% of new cars on British roads are company-owned. Many of these companies as well as private owners now question the wisdom of having so much capital tied up in assets which literally diminish. All of which explains why so many of today's designers, engineers, specifiers and buyers are looking afresh at stainless steel.

They have become aware of stainless steel as an economically viable material from which so many things can and are being made. They appreciate the total cost

argument which shows that in the long run stainless steel is the better buy.

As a result a great number of new uses for stainless steel is being found. New products made from it appear almost every week. Products which are not only soundly designed and manufactured but also developed in the knowledge that the material from which they are made has been chosen for its ability to outperform other raw materials.

Stainless steel can make your product look better. And last better. Which could make it the best buy of '79. And for many years to come.

If you would like to talk more about the possibilities of stainless steel contact John Fletcher, BSC Stainless Marketing Department, P.O. Box 161, Shepcote Lane, Sheffield S9 1TR.

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Best buy of '71



Companies and Markets

UK COMPANY NEWS

McCleery L'Amie falls to £34,000 midway

STATIC turnover, the impact of the transport strikes in the early part of the year, together with increased depreciation and interest charges have led to a disappointing half year for McCleery L'Amie Group, the directors state.

Profits, before tax, for the period ended June 30, 1979, slumped from £297,000 to £34,000 on turnover of £9.36m (£9.27m).

Mr. Desmond Lorimer, chairman, says the rest of the year is likely to be difficult. However, the closure of a loss-making section together with the future retrenchment in the synthetic yarn side, should enable the group to weather the effect of current world economic conditions on the synthetic fibre and yarn industry, he adds.

The group recovered during 1978 and achieved a turnaround from a £218,000 loss to a profit of £414,000.

Stated half yearly earnings are 0.41p compared with 1.5p, per 25p share, and the net interim dividend is maintained at 0.2p—last year's final payment was 0.3p.

	Six months	1978	1979
Turnover	£9,360,000	£9,270,000	£9,360,000
Trading profit	£279,000	£279,000	£279,000
Depreciation	£279,000	£279,000	£279,000
Interest	£154,000	£154,000	£154,000
Profit before tax	£34,000	£297,000	£34,000
Tax credit	£0	£0	£0
Profit after tax	£34,000	£297,000	£34,000
Preference div.	2	2	2
Attributable	52	154	52
Interim ord.	26	26	26
Residual	26	128	26

* Residual to exclude results of Amay Rope and Twines, I Chama.

Pre-tax figure was struck after depreciation of £279,000 against £297,000, and higher interest of £154,000 (£92,000), but was

before a tax credit of £20,000 (£14,000 charge).

In June it was decided to cease manufacturing at Belfast Rope-work but to continue merchanting ropes and twines. Closure costs in the second half of the year will be significant, directors say, although the substantial losses (£147,000 for the half year) will be eliminated.

Within the textile division Sir Desmond states that the natural fibre section continues to perform well, "but we are concerned as to the future of synthetic yarns, where competition remains fierce and recent large increases in labour and other costs cannot be recovered from current selling prices."

The carpet division remains profitable, he says, in spite of intense competition from the U.S. which, in response to strong sterling and greatly aided by relatively priced petroleum based raw materials, has over the past few months taken a large share of the UK tufted carpet market.

R. Pullman set for expansion

Proceeds from the May rights issue have put R. and J. Pullman, clothing retailer and manufacturer, in a strong position to finance growth both internally and by acquisitions, says Mr. M. A. Hope, the chairman.

Also demand for all the group's manufactured products is running at a high level and, as indicated when reporting the results for 1978-79 on August 24, a satisfactory outcome is expected for the current year, he states.

For the 13 months to April 30, taxable profit jumped to £1.54m, compared with £1.06m for the previous year. Of the total manufacturing improved to £1.3m (£1.14m) and retailing recovered from a £82,000 loss to £236,000 profit.

Sales climbed 50 per cent to £19.27m (£12.94m) but the export content was marginally lower at £4.18m (£4.26m).

At year-end total borrowings had reached £4.56m (£3.3m) and cash amounted to £794,000 (£784,000). However, the effect of the rights issue was to eliminate the £1.81m bank overdraft leaving borrowings at £2.75m and cash of £1.98m.

With the two latest acquisitions, Allids Meterly Wear and Skincraft, well integrated into the group, further expansion is planned. At Skincraft negotiations are under way for several new branches and three will be opening later in the year.

The group's corduroy division returned a more profitable level last year and seems to have recovered from the severe setback seen earlier, Mr. Hope says.

On October 8 Pullman As known the net dividend is stepped up to 6.97p (6.09p) and a six-for-five scrip issue will enable the company to gain trustee status.

Meeting, 13, Maylebone Road, NW on November 23 at noon.

Nathan up to £0.3m so far

TAXABLE profits of R. and J. Nathan, furniture manufacturer, rose from £236,000 to £302,000 in the half-year to June 29 1979, on increased turnover of £4.35m, against £3.47m.

Mr. J. Nathan, chairman, says current demand remains satisfactory, and he expects full-year figures to show a continued improvement. For the whole of 1978, the pre-tax surplus reached £853,339 (£863,875).

He adds that incoming orders are very quiet, but the group has a good order book. He is concerned about prospects for the first part of next year in industry terms, but the group is well prepared, he says.

The group has bought extra factory space next to its Edmonston works. Acquisition costs and renovation are being met from cash flow generated by profits.

Further expansion is being considered, the chairman adds.

The net interim dividend is raised from 1.1p to 1.4p—last year's total was 3.63p. Earnings per 25p share are shown to have increased to 7.94p (6.13p).

Tax took £157,040, compared with £122,720. The charge has been calculated at 52 per cent, and the directors say this will be corrected at the year-end in the light of circumstances then prevailing.

Buoyant first half for Trident Life

Buoyant new life business in the first half of its trading year is reported by Trident Life Assurance, a member of the Schlesinger Group.

Single premiums to the six months to September 30, 1979, advanced by 72 per cent from £2.55m to £11.26m and annual premiums rose by 53 per cent from £1.72m to £2.63m.

The company's Property fund was the most popular for investment medium with 42 per cent of new money being put into it. A further 24 per cent was invested in the Gilt edged fund.

There was a lively demand for the 12 per cent Guaranteed Income bonds from the over-65s while the under-50s were interested in the 12 per cent Guaranteed Growth Bond.

Reduced interest charge boosts Berkeley Hambro

ALMOST ENTIRELY due to a £0.82m reduction in interest charges, pre-tax profits of Berkeley Hambro Property increased from £1.03m to £1.57m for the first six months of 1979.

The fall in interest, from £1.34m to £0.42m, follows the repayment of short-term currency borrowings from the proceeds of overseas property sales.

Mr. Jocelyo Hambro, the chairman, says the company will continue to benefit from reduced interest charges, but, following the pattern of last year, it is unlikely that the same high level of dealing profits will be repeated in the second six months.

First-half dealing profits improved from £475,000 to £490,000, while rental income was lower at £2.61m (£2.82m). Management services income progressed by £32,000 to £268,000.

Earnings per 25p share, before extraordinary items, rose from 4.61p to 7.56p, while the interim dividend is stepped up to 2.5p (1.75p) net.

Total group borrowings, all sterling, amount to £8.75m—these are long term at fixed rates of interest, the highest being 9 1/2 per cent.

Lloyd's Life premium sales jump

SALES OF new regular premium business at Lloyd's Life Assurance were up almost 100 per cent on an annualised basis from £1.8m to £3.5m for the year ended September 30, 1979.

Single premium was £15m, compared with £12m previously and of this business over £12m was from unit-linked bonds.

A major growth area was directors' pension plans. An individual fund has recently been added to the basic directors' plan enabling companies to utilise the whole of the accumulated pension fund to buy property, or to make loans of up to 50 per cent of the fund.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's treatable.

Company	Date
British Investment Trust	Nov. 1
Canadian and Foreign Inv. Trst.	Nov. 1
Carless Cecil and Leonard	Nov. 6
General Scottish Trust	Oct. 18
King and Sheehan	Nov. 12
London Brick	Oct. 23
London Sunetra Plantations	Oct. 22
Mere O'Farrell	Oct. 30
Pistone	Oct. 18
Scotiabank Heritage Trust	Oct. 17
Sketchley	Oct. 23
Trust Union	Oct. 24
Winchmere Investment Trust	Oct. 17
York Trelor	Oct. 17
Ararot Trust	Oct. 17
Associated Engineering	Oct. 13
Brooks Band Leiby	Oct. 18
Cedar Investment Trust	Nov. 5
Dawney Day	Oct. 19
Quicla Steels	Oct. 22
Goodwin (Engineers), Walter Lawrence	Oct. 18
Outchill Property	Oct. 18
Lamar	Oct. 19
London Ship Property Trust	Oct. 18
Marin (R. P.)	Oct. 23
North Atlantic Secs.	Oct. 24
Uniflex	Oct. 25

Merchant Investors' 1-year bond

Merchant Investors Assurance Company has announced what is believed to be the first one-year high income bond in recent times.

The bond, designed to take advantage of the present high level of interest rates, is a combination of endowment and single premium policies. It offers a net return of 13 per cent to the basic rate taxpayer. The company has also announced a two-year income bond returning 12.5 per cent net to the basic rate taxpayer. Minimum investment for both is £1,000.

Merchant Investors said the principle of the one-year bond was exactly the same as that of two, three and four-year income bonds.

In the past, a spokesman explained, Merchant Investors has been able to use the tax advantages of a fledgling company to offer competitive conventional products in its policyholders. But growth has been so rapid that these are no longer available and as a result the new bond has been structured to gain the maximum benefit from the available tax reliefs.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange and is not an invitation to any person to subscribe for or to purchase any share capital of the Company.

Estates & Agency Holdings Limited

(Registered in England No. 584734)

SHARE CAPITAL		Issued and to be issued fully paid
Authorised	3 1/2% Cumulative redeemable preference shares of £1 each	£100,000
£100,000	Ordinary shares of 25p each	£1,176,457
£1,550,000		£1,276,457
£1,650,000		

The acquisitions of Axtell House Property Co. Limited and Molyneux Securities (Charing Cross) Limited were approved by the shareholders of Estates & Agency Holdings Limited at an Extraordinary General Meeting held on 15th October, 1979.

Application is being made to the Council of The Stock Exchange for the issued share capital to be admitted to the Official List. It is expected that dealings in the ordinary shares will commence on 22nd October, 1979.

Particulars of the Company are available in the Extel Statistical Service and copies of such particulars may be obtained during business hours on any weekday (Saturdays and public holidays excepted) up to and including 5th November, 1979, from:

Samuel Montagu & Co. Limited
114 Old Broad Street
London EC2P 2HY

Hambros Bank Limited
41 Bishopsgate
London EC2P 2AA

W. Greenwell & Co.
Bow Bells House
Broad Street
London EC4M 9EL

16th October, 1979

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HIGHMONT PROJECT

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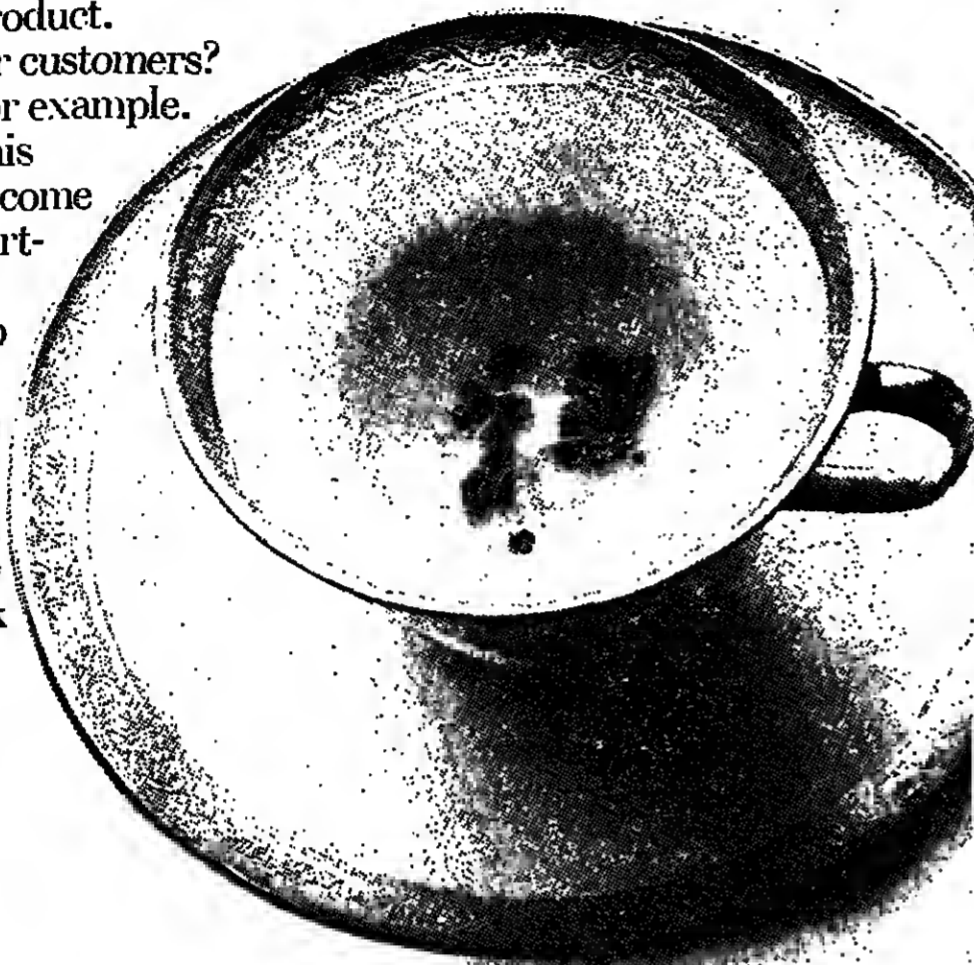
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Bassett's new strategy for sweetening its allsorts

BY ARNOLD KRANSDORFF

THE DOMESTIC trading environment has not been easy for British confectionery manufacturers, least of all the smaller members of the sector such as George Bassett Holdings, the Sheffield-based liquorice allsorts manufacturer.

For 137 years the company, which occupies a secure niche within the sugar confectionery market, has remained an independent entity while others have either fallen or been taken over by larger concerns. Bassett is determined not to go the same way, despite serious setbacks in the past two years.

With the exception of the war years, and the rationing period which followed, consumption has remained virtually static at half a pound of confectionery per head per week—in spite of the radical change towards the eating of more snack foods. Yet many manufacturers, including Bassett, have shown impressive growth rates over this period.

This has been partly due to the industry's determined assault on foreign markets. In 1966, exports totalled 44,000 tons worth £15m but by 1978 they had mushroomed to 148,500 tons worth £216m, giving UK manufacturers about a fifth of the world trade in confectionery.

At home, while demand remained flat, the opportunities for growth came through default. The competitive trading conditions led to a rash of bankruptcies, acquisitions and mergers, leaving fewer companies to share a virtually unchanged cake.

Manufacturers are competing for a home market worth £1.5bn at today's prices, or around 7 per cent of total food expenditure. Demand is spread roughly equally between chocolate confectionery and sugar confectionery although a strong performance by chocolate last year pushed volume sales ahead of the sugar share of the market, mainly as a result of heavy advertising.

Up in new overseas markets have proved to be the biggest growth area for UK manufacturers but trading conditions have suddenly become much tougher. Exports, which account for more than a fifth of total sales by volume, have slowed dramatically over the past year due to severe competition, especially in the Third World, and the relative strength of sterling.

This inevitably raises the possibility of even further



Mr. W. R. Mills—Bassett's new chairman

rationalisation within the industry, and Bassett has long been rumoured as a takeover favourite.

The company, which also makes gum-based sweets and specialist foods, claims a UK market share of roughly 12 per cent. Last year profits slumped by 53 per cent to £1.3m pre-tax after marking time in the previous 12 months.

The immediate prospects are not too encouraging, especially with industry forecasts suggesting that chocolate will make further inroads into the market this year at the expense of sugar confectionery.

Bassett has already warned that first half profits are not going to show any noticeable improvement on the comparable period's £1.51m pre-tax. However it is optimistic that the full year results will show evidence of restored profitability.

This push for recovery in the current year is the responsibility of the company's new chairman, Mr. W. R. Mills, previously vice-chairman and managing director. His first task is to stem the losses from export markets, which last year clipped around £0.5m off group profits.

Accordingly, prices have been raised in nearly all overseas countries since the beginning of the year. In addition, involving is now being done in sterling while a number of long-term contracts have been renegotiated. Mr. Mills admits this will mean a downturn in export volume but he is confident it will be more than offset by the improvement in margins. At home Bassett has also raised its prices but here, Mr. Mills is not so worried about losing market share.

After the price changes the first job has been to create a new

corporate structure to reflect more fully the company's recent diversification into leisure. Previously split broadly between manufacture and distribution, with "other activities" lumped into the latter division.

His next job has been to re-group the sales forces. Previously the company's branded confectionery products—Bassett and Wilkinson—were handled by separate sales teams, but Mr. Mills plans to integrate them and create a network of smaller sales areas. The company had found that its distribution coverage to many smaller confectionery retailers was patchy. It now hopes to paper over the gaps and ensure that more retailers are exposed to more of the company's products.

Next, he plans to make the company less dependent on sugar. In other overseas markets, areas such as black Africa, India and Pakistan are difficult to break into because of political constraints while South America is heavily dominated by U.S. manufacturers. China and Russia are obvious possibilities but they are unknown quantities at the moment.

This narrows the choice, leaving Bassett the job of having to concentrate on increasing its share in existing overseas markets.

Of the two the geographical objective will be the more difficult to achieve, especially if export markets continue to show little growth. The company admits that its existing overseas markets are saturated with confectionery products but, it notes optimistically, "not with Bassett products."

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This narrows the choice, leaving Bassett the job of having to concentrate on increasing its share in existing overseas markets.

Mr. Mills also plans to follow the lead of his major competitors by increasing sales and advertising promotion. Inside the company he proposes to continue reducing the number of employees by natural wastage and controlled recruitment and to improve consultancy procedures with the unions.

With all these changes Mr. Mills believes the company has the potential for strong and steady growth. "After the recovery, we want to be able to double profits every five years," he says. "This can be done if we can become less dependent on confectionery and the home market by changing the sales emphasis and territorial bias from the present ratio of 80:20 to about 60:40."

The chairman is rather philosophical when he says: "To have a strategy is to hold the initiative." Mr. Mills may hold the initiative, but he still has to prove the wisdom of his strategy.

But it is Bassett's non-confectionery activities, into which the company diversified during 1977/8, that Mr. Mills sees most scope for future growth. In that year it acquired A. A. Hales, a distributor of hobby kits and conventional toys, and then Remus, a play-kits distribution company, from Mars. Later on Bassett bought a 75 per cent stake in S. A. Roupey of Ch. A. Normandy-based manufacturer of gulfrettes, a French wafer biscuit, and followed it up with the acquisition of Paterson's Scottish shortbread, a biscuit manufacturer, from Booker McConnell. The latest acquisition is 75 per cent stake in Adam Imports, which imports electronic TV games.

Bassett's specialist food companies, which include Purdy Cakes (acquired in 1976), all produce high-margin, premium products while the toy companies are all distribution businesses with most of their products sold in advance. Although their profits are not identified, it is probable that without their contribution group earnings for 1978/9 would have been less than £0.8m.

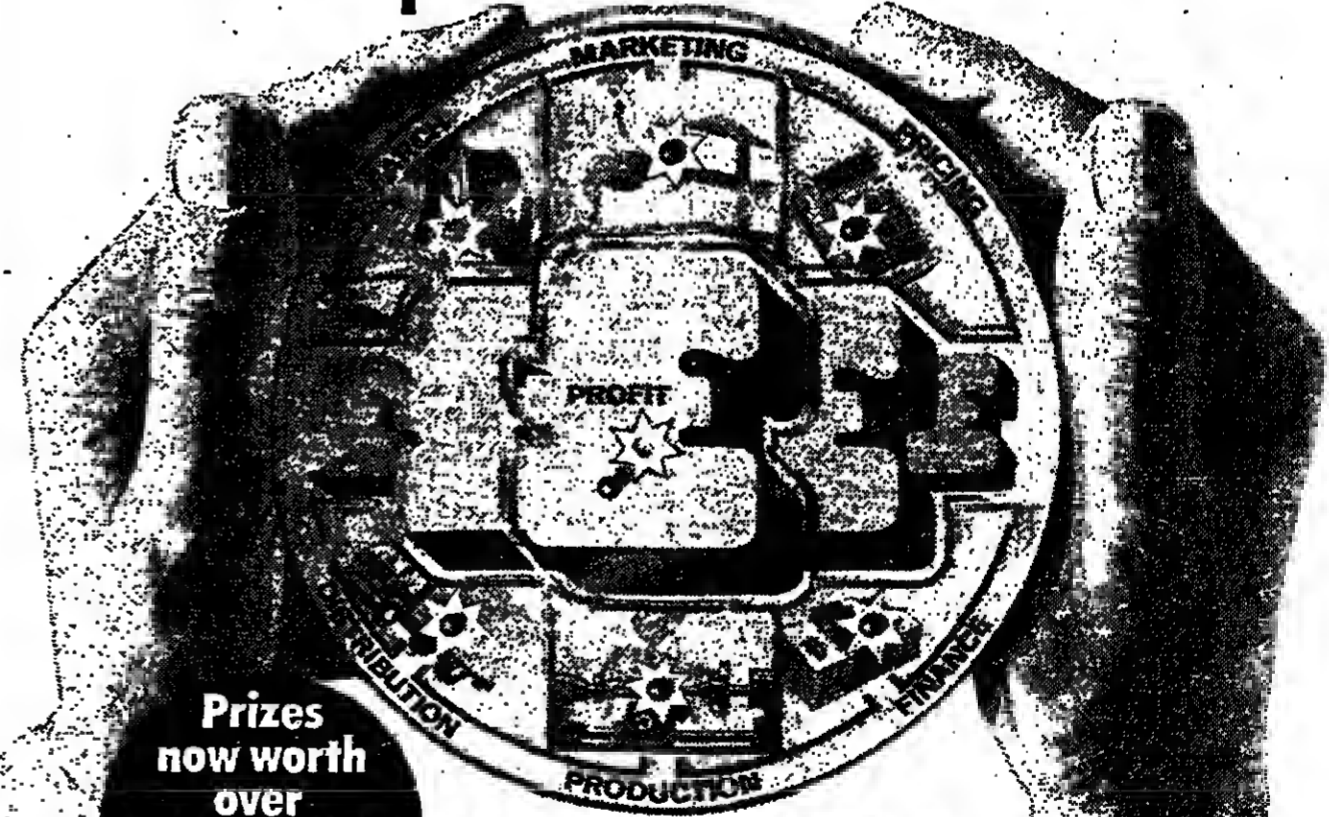
For the moment though, it seems Bassett will have to spend entirely on organic growth. With net borrowings at nearly 50 per cent of shareholders' funds, Mr. Mills will probably want to defer any further acquisitions.

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The chairman is rather philosophical when he says: "To have a strategy is to hold the initiative." Mr. Mills may hold the initiative, but he still has to prove the wisdom of his strategy.

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It is, in short, to ordinary blends what Glenmorangie is to ordinary single malts.



مركز الامم المتحدة

MINING NEWS

New mine investment of \$12bn a year needed

BY PAUL CHEESERIGHT

INTERNATIONAL investment in the minerals industry will have to be raised more than six times above its present annual rate to avoid major shortages between now and the end of the century, according to a study of the British-North American Committee.

signed a C\$161m (282.5m) financing agreement with Teck Corporation of Toronto and Vancouver (in which Metallgesellschaft of West Germany has a major interest), covering development of Teck's Highmont copper-molybdenum property near Kamloops, southern British Columbia.

Denison-Getty battle for Reserve Oil

CANADA'S Denison Mines is "considering its position" in its U.S.\$825m (294.3m) proposed acquisition of the Denver-based Reserve Oil and Gas in view of the conditional proposal of Getty Oil of Los Angeles to initiate negotiations with Reserve, reports John Soganiach from Toronto.

TECK HIGHMONT LOAN SIGNED

The Bank of Montreal has

and directors of Reserve have accepted it as a fair offer and have voted unanimously to recommend it to their shareholders at a special meeting called for November 20.

From Montreal, Robert Gibbons comments that the transfer of control of Reserve's major asset, Canadian Reserve Oil and Gas, would require approval of the Foreign Investment Review Agency in Ottawa.

If the agency objected to the Getty bid, thus helping Denison in its efforts to acquire Reserve Oil and Gas, it would be an irony. This is because the agency was set up partly in response to a plan by Mr. Stephen Roman, the controlling shareholder of Denison, to sell out to Conocoil of the U.S. nearly a decade ago.

Ayer Hitam earns more

INCREASED production and higher metal prices have boosted earnings of the Malaysian tin producer Ayer Hitam.

Net profits for the year to June 30 come out at M\$10.7m (23.3m) against M\$4.4m in the previous year.

Latest earnings amount to 175 sen per share. A final dividend is declared of 140 sen (30.2p) less tax at 40 per cent. This makes a total for the year of 290 sen against 300 sen in 1977-78.

Ayer Hitam's tin concentrate output for the first three months of the current financial year amounts to 518 tonnes against 453 tonnes in the same period of 1978-79.

ROUND-UP

The Anglo American Corporation group's Canadian Hudson Bay Mining and Smelting has acquired approximately 9.8 per cent of the common shares of Rosario Resources Corporation of New York. They were purchased on the New York Stock Exchange at an aggregate price of some \$21m (£9.72m).

Australia's Swan Resources and Western Mining have agreed to a joint exploration venture for coal in the Pilbarra region of Western Australia. Western Mining will hold 80 per cent of the venture and Swan 20 per cent. Western Mining has applied to the State government for over 100 temporary reserves covering about 20,000 square kilometres in the Fortescue Valley near the Hamersley iron ore operations.

The Texasgulf chairman, Mr. Charles F. Fogarty, has reiterated an earlier prediction that the U.S. group's 1979 earnings will be more than double the \$1.33 per share earned in 1978. He added that development of projects, including gold properties, will help future earnings. He also said that Texasgulf is developing a small gold-copper property in eastern Oregon where known mineralisation is estimated at more than 325,000 tons, averaging 0.25 oz of gold per ton, 0.7 oz of silver and 2.7 per cent copper.

Staffs. Potteries raises £1m loan

To finance its \$9.97m cash purchase of Tamnton Vale Industries, Staffordshire Potteries (Holdings) has obtained a seven-year unsecured bank loan. Based on balance sheet figures at June 30 last, this lifts borrowings from a reported £2.45m to a total for the expanded group of £3.55m.

In a circular giving details of the deal announced on October 3, a pro-forma balance sheet for the June 30 date shows net tangible assets slightly down from a reported £6.92m to £6.7m. As reported September Mr. C. W. Bowers, the chairman, says that the group's short-term borrowings have passed their peak and will reduce over the current year.

It was higher interest costs together with the bad weather and external industrial disputes that kept taxable profit for the year to June 30 at £1.24m (£1.21m). On a current cost basis along the Hyde Guidelines, this represents a fall from £393,000 to £258,000 after meeting extra depreciation of £220,000 (£207,000) and £302,000 (£173,000) cost of sales less a £141,000 (£105,000) gearing adjustment.

Sales showed a 12 per cent increase to 12.09m with growth in Europe of 39 per cent to £2.5m and in the UK of 11 per cent to £7.87m. In North America there was a 4 per cent decline in turnover to £1.15m and a 19 per cent fall to £618,000 elsewhere.

Mr. C. W. Bowers, the chairman, points out that since 1976 his company has spent over £3m in updating plant and buildings. This expenditure is having its planned effect and the output of Kilncraft dinnerware has almost doubled during the period.

The purchase of Tamnton Vale which makes tableware and kitchenware accessories complements Staffordshire's existing range of products.

At year end authorised capital spending amounted to £520,000

(£32,000) of which £504,000 (£72,000) had been contracted. With almost all its unissued share capital exhausted an increase in authorised share capital from £1.9m to £1.9m is proposed to provide more flexibility.

Meeting, Stoke-on-Trent on November 6 at 12.30 pm.

Willis Faber's new division

WILLIS, Faber and Dumas, the Lloyd's of London insurance broker, has formed an oil and gas division which will be headed by Lord Chelmsford.

Lord Chelmsford is joined in the new division by three ex-employees of Bland Payne (now merged with Sedgwick Forbes)—Mr. Donald Payne, who is managing director of the new division, Mr. John Turner, and Mr. Gordon Newman.

Other directors of the division are Mr. James Aarvold and Mr. Gordon McCall.

MORRIS & BLAKEY

The Board of A. G. Stanley Holdings announces that its offer for the "A" (non-voting) ordinary shares of Morris and Blakey Wall Papers will close at 3 pm on October 29.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority)

6 3/4 % Sinking Fund Debentures due November 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on November 1, 1979 at the principal amount thereof \$65,000 principal amount of said Debentures bearing the following serial numbers:

Table listing debenture serial numbers and amounts: DEBENTURES OF U.S. \$1,000 EACH

On November 1, 1979, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due November 1, 1979 should be detached and collected in the usual manner.

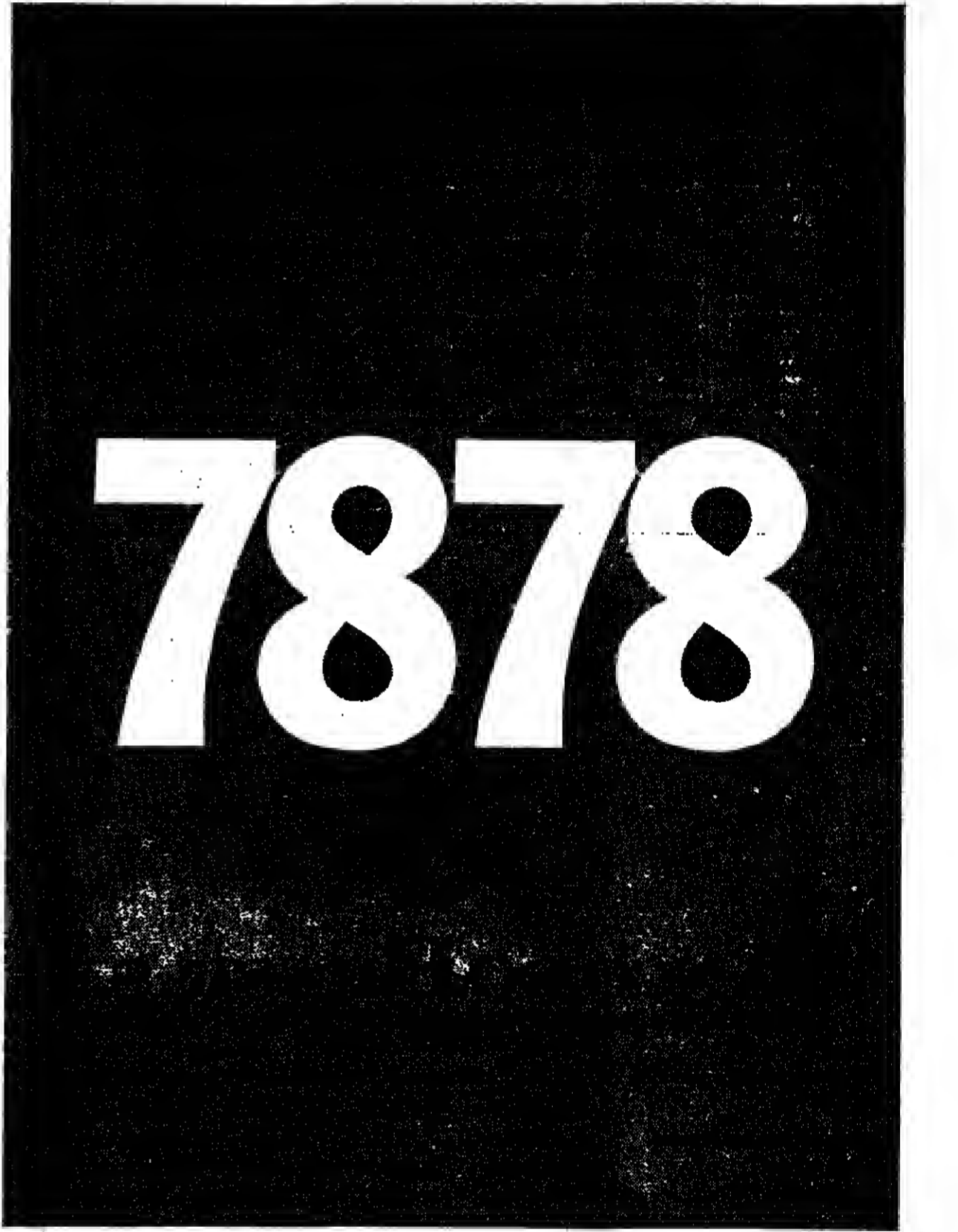
From and after November 1, 1979 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

October 2, 1979

The Royal Bank of Scotland advertisement including logo, name, and contact information for registrars.

ART GALLERIES advertisement listing various art exhibitions such as 'FINE ART SOCIETY', 'MARLBOROUGH', and 'REDFERN GALLERY'.



ABN Bank advertisement titled 'THAT'S HOW MANY PEOPLE ABN EMPLOYS OUTSIDE HOLLAND.' It lists financial services, global presence, and contact information.

COMPAGNIE BANCAIRE advertisement featuring a 'Report by the Board of Management' and financial tables for operations, profits, and consolidated results for 1977, 1978, and 1st half 1979.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

RCA has third quarter reverse

By Our Financial Staff
RCA, a leader in the colour TV industry, in broadcasting (through NBC), in vehicle renting (through Hertz) and in defence electronics, has suffered a third quarter reverse.

Net earnings declined by 5.7 per cent from \$7.0m or 82 cents a share in the third quarter last year to \$6.6m or 86 cents a share on sales up from \$1.66bn to \$1.83bn.

Record gains at United Technologies

By Our Financial Staff
RECORD SALES and earnings for the third quarter are reported by United Technologies, manufacturer of jet engines, elevators and other products.

At the nine month stage, Technologies now shows earnings 37 per cent higher at \$236.5m, with share earnings at \$4.55 against \$4.11 a share a year ago.

Chase Manhattan earnings boosted by interest income

BY DAVID LASCELLES IN NEW YORK

U.S. BANKS continued to show sharp gains in their third quarter earnings yesterday, thanks to brisk credit demand, although losses on securities transactions eroded operating income.

Chase Manhattan, New York's second largest bank, reported second quarter securities transactions of \$81.2m or \$2.37 a share, up 61 per cent on last year's \$50.9m or \$1.41.

Petro-Canada 'free' share plan

BY ROBERT GIBBENS IN MONTREAL

MOST OF the profitable assets of the national oil company, Petro-Canada, would be handed back to the private sector by giving free shares to all Canadians, the Government's advisory committee on Petro-Canada's future has recommended.

The idea is based on British Columbia's very successful give away of shares in the former Crown corporation Investment in Resources.

Under the plan of the advisory committee set up by Mr. Joe Clark, the Premier, leaked to the Opposition New Democrats at the weekend—a new Government agency would

This brought Chase's operating net for the first nine months to \$234.6m or \$6.83, up sharply from \$138.5m or \$3.92 in 1978.

Chase said the improvement resulted from higher net interest income and operating income. The spread on its loan business increased from 3 per cent in the first nine months of last year to 3.38 this year.

Chase's assets averaged \$61.2bn in the third quarter. The bank's return on assets also improved. The average for

the third quarter was 0.53 per cent compared to 0.34 per cent last year.

Bank of New York said its operating income had risen to \$114.4m or \$1.85, up from \$9.9m or \$1.65 last year. After securities transactions, the earnings were \$11.35m or \$1.84, compared to \$9.6m or \$1.61.

Loan loss provision in the first nine months of this year was \$12.6m compared to \$5.2m in the same period last year. But net charge-offs were \$13.5m, compared to \$3.9m.

Sound growth at Philip Morris

By Our Financial Staff

STRONG TRADING in the third quarter of this year is reported by Philip Morris, the second largest domestic cigarette company. With nine month earnings at \$3.09 a share, against \$2.55, the company is well on the way to targets of \$4.05 a share predicted for the full year.

Earnings rose by 25 per cent to \$144.4m in the third quarter or from 96 cents a share to \$1.16. Sales put on 17 per cent to \$2.13 bn.

At the six month stage, net income had advanced from \$1.60 to \$1.93 a share (adjusted for the June 1979 two for one stock split).

A major contributor to the cigarette company's outstanding earnings record over the past decade has been Miller Brewing, the nation's second largest with some 19 per cent of the market.

Much of the group's high capital expenditure programme is earmarked for expansion at Brewer.

At the end of last year, group profits were split between Philip Morris USA (58 per cent), Philip Morris International (19 per cent) and Miller Brewing (16 per cent), with smaller contributions from Seven-Up, Philip Morris Industrial and Mission Vejo.

Global Marine nearly doubles profits

By Our Financial Staff

GLOBAL MARINE, a U.S. offshore drilling contractor, nearly doubled net earnings to \$4.44m or 85 cents a share in the third quarter against \$1.51 cents and expects to reach \$3.25 for the year.

For the nine months net earnings rose to \$8.75m or \$2.04 a share against \$5.56m or \$1.25 on sales which rose 8 per cent ahead at \$112.0m.

Global Marine said that the 1979 earnings will include extraordinary gains of 11 cents a share from the settlement of a lawsuit and 59 cents from the sale of real estate.

In 1978, the company earned \$3.2m of \$1.85 a share on revenues of \$124.5m.

EUROBONDS

Chile offering is casualty of unsettled DM sector

BY FRANCIS GHILES

THE SEARF rise in short term D-mark interest rates is having an unsettling effect on the foreign D-mark bond market. A DM 100m public offering which Dresdner Bank was expected to launch for Chile was called yesterday.

Other German banks, notably Deutsche Bank and Westdeutsche Landesbank, which were due to launch issues for foreign borrowers later this week, could well decide to cancel them. DM 400m worth of foreign D-mark bonds was scheduled to be floated this week.

The rise in short-term rates in Germany has been steep: the one-month German interbank rate has risen from 7.70 to 8.15 per cent in the past month while the three-month rate has moved up over the same period from 7.95 to 8.55 per cent.

Many investors are convinced they have not seen the end of this rise and are thus unwilling to commit funds to bonds of five- to 15-year maturity which yield up to 80 basis points below these interest rates. So long as such

a sharp inverse yield curve exists, investors are unlikely to seek out foreign D-mark bonds. One issue, a DM 50m six-year private placement for the Posts and Telecommunications Department of South Africa did not suffer from investor reluctance: its coupon of 8 1/2 per cent and final price of par gives an attractive 8.25 per cent yield.

Such is not the case with the DM 225m 15-year issue currently on offer for the EEC. Deutsche Bank, the lead manager, has indicated that it will not be priced above 99, which would still only offer a yield of 7.74 per cent.

Secondary market foreign D-mark bond prices slipped a further half point yesterday. The recent issue for the African Development Bank is trading about 11 points below its price of 99.

Some German bankers argue the general weakness in prices is due to the absence of buyers, others say there have been some selling orders from abroad.

The dollar sector was much quieter yesterday. Prices of straight dollar bonds were up about 1/4 of a point on the day following what dealers described as professional trading.

In the floating rate note sector, a good level of turnover was reported with some genuine investor demand. From issues which have had their coupon readjusted recently posted gains of up to 1/2 a point. Typical of this type of paper was the National Westminster floater to 1994 which had its coupon readjusted to 14 1/2 early last week. After the coupon readjustment, the price quickly fell from 99 1/2 to 97 1/2. Yesterday it moved up to 98 1/2.

Issues which will have their coupons readjusted shortly have usually held up rather better than others. Some like the International Westminster floater to 1984 traded around par throughout last week and were quoted at 99 1/2-100 yesterday. The coupon on this issue is currently standing at 11 1/2 and will be readjusted later this week.

Bache move against takeovers

BY IAN HARGREAVES IN NEW YORK

BACHE, one of the six largest publicly-held U.S. investment brokers, is looking towards Europe for a substantial investment in its stock in a series of moves to strengthen its resistance to possible takeover attempts.

One move which is particularly worried about the intentions of a Canadian investment group in seeking to acquire over 20 per cent of its stock, has retained the First Boston Corporation to advise it on suitable investors, either at home or overseas.

The group is especially attracted to the idea of a link with a European bank or investment house although it stresses

that it wants a minority investment rather than any attempt at a merger.

Its directors have proposed a series of measures for adoption at the group's annual meeting next month.

They want to increase the group's authorised share stock by half to 15m shares. It is also proposed that consent for an merger should require a 75 per cent vote in favour by shareholders.

In its proxy statement sent out to shareholders in advance of the annual meeting the grounds of promoting stability in the company's management and to ensure that anyone seek-

ing control of the company would have to buy a larger volume of stock which, it is argued, would tend to ensure that all shareholders were able to take advantage of any gains in the company's stock price.

The document also gives details of the purchases of Bache stock recently by a Vancouver-based investment group, the Bcl-Frn investment group.

Bcl-Frn is believed to hold 6.9 per cent of Bache's stock but has told the U.S. authorities that it would like to increase this to between 20-25 per cent preferably with the co-operation and goodwill of Bache's directors.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR, STRAIGHTS, CHANGING RATE, OTHER STRAIGHTS, CONVERTIBLE, BONDS. Lists various bond issues with their terms and prices.

Table with columns: U.S. QUARTERLIES, ROISE CASCADE, CENTRAL & SW CORP., GROUSE-HINDS, GOULD INC., HUYCK CORPORATION, INTL MINERALS & CHEMICAL, LONE STAR INDUSTRIES, RUBBERMAID, SHEARSON HAYDEN STONE, SUNSTRAND, TRANE COMPANY, WHEELING PITTSBURGH STEEL, YEN STRAIGHTS. Lists quarterly financial data for various companies.

Advance at CPC International

BY OUR FINANCIAL STAFF

INCREASED SALES and profits are reported by CPC International for the third quarter of 1979, barding expectations that the consumer and industrial food products company can

achieve its eighth consecutive year of rising earnings. Third quarter earnings per share have risen by 23 per cent to \$1.98, or 45 per cent to \$2.33 if a once and for all gain for deferred tax is included.

Sales for the third quarter rose by 17 per cent to \$964.2m, fol-

lowing growth of 16 per cent and 18 per cent respectively in the first and second quarters.

Including the exceptional tax gain—which arises from the release of a prior year's liability for deferred tax among the CPC's operations in the UK—earnings for the first nine months are 31 per cent higher at \$5.41 per share. Turnover during the three quarters rose by 15 per cent to \$2.72bn.

CPC is a major processor of consumer foods which it mar-

kets under a variety of brand names. Among its best known are Mazola corn oil and margarine and Hellmann's mayonnaise.

Branded grocery products accounted for some 58 per cent of sales in 1978 with corn wet milling—the other major facet of the company's operations—representing 36 per cent of turnover. Corn wet-milling produces food ingredients as well as industrial products, such as starch.



BANCO DO BRASIL S.A. CONSOLIDATED AND CONDENSED COMPARATIVE STATEMENT OF CONDITION IN MILLIONS OF U.S. DOLLARS

Table showing consolidated and condensed comparative statement of condition for Banco do Brasil S.A. with columns for Assets, Liabilities, and Total Assets/Liabilities for five consecutive periods.

The figures shown above are the conversion of Cruzeiros into U.S. dollars at the rate prevailing on the respective balance sheet dates. 1978 figures comply with the new Brazilian Corporate Law (Law No. 6,404, of 15.12.78)

FOREIGN NETWORK
London, Paris, Paris-Opera, Hamburg, Frankfurt, Amsterdam, Rotterdam, Milan, Rome, Vienna, Lisbon, Madrid, Stockholm, Zurich, Geneva, Luxembourg, Brussels, New York, San Francisco, Los Angeles, Chicago, Washington, Atlanta, Dallas, Houston, Toronto, Mexico City, Tokyo, Abidjan, Grand Cayman, Panama City, Colon, Buenos Aires, Montevideo, Ciudad Vieja, Paysandu, Rivera, Asuncion, Puerto Presidente Stroessner, Santiago de Chile, Antofagasta, Concepcion, Valparaiso, La Paz, Santa Cruz de la Sierra, Cochabamba, Bogota, Caracas, Lima, Quito, Singapore, Manama-Bahrain, Tehran, Lagos and Sydney.
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Companies and Markets INTL. COMPANIES AND FINANCE

Ford to sell French subsidiary

BY TERRY DODSWORTH IN PARIS

A FRENCH SOLUTION has been found to the problems of Richier, the Ford-owned construction machinery company...

for liabilities. The agreement is in effect a reverse take-over. Sambron, a privately-owned company, has a workforce of only 580, while it is taking on four Richier factories employing well over 1,000.

on the market. But both the French authorities and the French industry were strongly in favour of a deal with either a national or a European company.

separate operation, selling through the Rentimat distribution network, which was also bought from Ford. A certain level of business is assured over the next few years through an additional agreement with Ford...

Boost for Svenska Cellulosa

BY VICTOR KAYPETZ IN STOCKHOLM

A BIG improvement in earnings from forest products and somewhat higher profits from electric power generation are the main factors behind an upward revision by Svenska Cellulosa (SCA) of its 1979 pre-tax profit forecast.

from SKr 198m to SKr 322m. This included SKr 40m in stock gains during January-August 1979, up from SKr 21m.

flow for forest industry machinery from Europe. Earnings will improve for 1979 as a whole, however, SCA predicted.

Decline for Greek cement group

By David Tonge

THE HERACLES General Cement Company, West Europe's largest single cement exporter, reported a 1 per cent decline in profits to Drachmas 249m (\$9.6m) in 1978, despite an 11 per cent increase in sales to Dr 6,073m (\$167m).

Hilti sees profit ahead of target

BY JOHN WICKS IN ZURICH

PROFITS IN EXCESS of original targets are anticipated for 1979 by the construction-based manufacturing concern Hilti AG, of Schaan, so long as there is no sudden drop in exchange rates.

company net earnings of SwFr 13.13m (\$8.15m). In a prospectus accompanying the issue of a SwFr 35m bond over 14 years at 4 1/2 per cent, Hilti states that it looks forward to a record turnover of some SwFr 800m (\$497m) for this year, given continuing exchange rate levels.

full use, while a series of new products have been developed and are soon to be introduced. Investment in the U.S., particularly a large-scale production facility at Tulsa and storage capacity in Connecticut, are to be continued, while further new projects are planned for France and Germany.

Earnings drop for Euroc

By 'Our Stockholm' Correspondent

EUROC, THE Swedish building materials and industrial group, has recorded lower eight-month earnings. These are attributable mainly to the severe winter and to the crisis in Iran, which cut delivery volume especially for the cement-making subsidiary Cements and the construction equipment company Dynapar.

Sperry plans increase in European investment

BY ROGER BOYES IN BONN

SPERRY, the U.S. computers, agricultural, navigational and power equipment group, plans to step up its investment in Europe by 10-15 per cent next year, and is particularly anxious to exploit some important gaps in the European computer hardware market.

assets in Europe, and has production facilities in many EEC countries, including Britain, West Germany, France and the Benelux countries. The company clearly wants to improve on the modest net income from its consolidated foreign subsidiaries, which has been creeping up steadily from \$54,313 in 1977 to \$98,178 for the fiscal year ended March, 1978.

MAN confirms link with Burmeister and Wain

BY OUR FINANCIAL STAFF

WEST GERMAN engineer, MAN, confirms that its plans for a link with troubled Danish shipbuilder Burmeister and Wain centre on the formation of a joint venture which will control Burmeister's diesel engineering and marine servicing operations.

MAN confirms link with Burmeister and Wain

BY OUR FINANCIAL STAFF

much to pay for its 50 per cent stake in the new concern. It will, meanwhile, pay a first undisclosed instalment in the form of a bridging loan.

MAN confirms link with Burmeister and Wain

BY OUR FINANCIAL STAFF

Siemens to buy Aerotron RALEIGH—Aerotron a maker of mobile radios and telephones and Siemens AG have agreed in principle to the acquisition by Siemens of Aerotron, through a cash merger with U.S. subsidiary of Siemens, for \$8 a common share of Aerotron.

Inter-Pan seeks approval for liquidation

BY OUR ZURICH CORRESPONDENT

INTER-PAN HOLDING is to ask shareholders to approve a liquidation at its annual general meeting on November 13.

Inter-Pan seeks approval for liquidation

BY OUR ZURICH CORRESPONDENT

shareholding in its trading activities to the BAT group of the UK for \$10m. BAT has an option to acquire the outstanding 49 per cent in 1982.

Inter-Pan seeks approval for liquidation

BY OUR ZURICH CORRESPONDENT

it would be unrealistic to assume that Juvena's operating surplus would in the coming years be able to offset the exchange-rate income losses of the past two and a half years.

Inter-Pan seeks approval for liquidation

BY OUR ZURICH CORRESPONDENT

account. The company, which says that legal proceedings and the collection of outstanding claims made it impossible to complete the liquidation of all remaining companies, booked a new loss for 1978-79 of SwFr 22.44m, following a carried-over loss from the previous business year of SwFr 5.93m.

Celso da Rocha Miranda, Giovanni Agnelli and what they won for believing in Brazil.



The Visconde de Cairu Award is an initiative of 'Indice - O Banco de Dados' to honor businessmen who have most contributed to increase economic relations between Brazil and the European Economic Community.

Indice - O Banco de Dados.

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CURRENCIES, MONEY and GOLD

Dollar rises, pound steady

Conditions in currency markets yesterday lacked any fresh impetus, and the dollar tended to fluctuate in a predominantly thin trading. After opening on a softer tack, the U.S. unit started to improve...

On Bank of England figures, the dollar's trade-weighted index rose to 85.6 from 85.3. The dollar was also firmer against the Japanese yen, and touched its recent level since March 1978 to close at 227.60, up from 227.50 on Friday.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Rows include UK, Canada, Ireland, etc.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Rows include UK, Canada, Ireland, etc.

CURRENCY RATES

Table with columns: Oct. 15, Bank of England, Morgan Stanley, etc. Rows include Sterling, U.S. dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Oct. 15, Bank of England, Morgan Stanley, etc. Rows include Sterling, U.S. dollar, etc.

OTHER MARKETS

Table with columns: Oct. 15, Note Rates. Rows include Argentina, Australia, Brazil, etc.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on October 15, 1979. In some cases rates are nominal. Market rates on the average of buying and selling rates except where they are shown to be otherwise.

Large table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Rows include Afghanistan, Algeria, Angola, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU amount, % change, Divergence. Rows include Belgium, France, Germany, etc.

EXCHANGE CROSS RATES

Table with columns: Oct. 15, Pound Sterling, U.S. Dollar, etc. Rows include Pound Sterling, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Oct. 15, Sterling, U.S. Dollar, etc. Rows include 3 months, 6 months, 12 months.

INTERNATIONAL MONEY MARKET

European short-term interest rates showed little change yesterday, although longer-term rates were firmer, while the dollar was steady. In another round of prime rate increases...

GOLD

Gold traded very quietly in the London bullion market yesterday, and rose just 54 ounces to \$399.402. There appeared to be very little interest in the market in comparison with recent weeks...

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Reverses payments to the Exchequer outweighed Government disbursements yesterday...

LONDON MONEY RATES

Table with columns: Oct. 15, 1979, Sterling Certificate of Deposit, etc. Rows include Overnight, 7 days notice, etc.

ONEY RATES

Table with columns: New York, London, etc. Rows include 3 months, 6 months, 12 months.

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Indices

Companies and Markets

COMMODITIES AND AGRICULTURE

Renewed rise in sugar

RENEWED TRADE and speculative buying based mainly on rumours that Chioa had purchased 50-60,000 tonnes of raws boosted world sugar values sharply yesterday.

Wool stocks down again

MELBOURNE — Australian Wool Corporation (AWC) stocks fell further to about 231,000 bales at the end of September.

West German cocoa demand

WEST GERMAN cocoa bean grindings during the third quarter of this year totalled 30,837 tonnes, up 0.1 per cent from 30,308 tonnes a year earlier.

World copper surplus forecast next year

A SURPLUS of copper production over demand next year and in 1981 — and consequently lower prices — is forecast in the latest issue of Copper Trends, issued yesterday by Amalgamated Metal Trading.

French turn away lamb shipment

A TRIAL consignment of British lamb refused entry into France at the weekend was shipped back home yesterday to a well-orchestrated outburst of indignation and calls for retaliation from the National Farmers' Union.

Soviet crop forecast cut again

WASHINGTON — The U.S. Agriculture Department has lowered its estimate of total 1979 USSR grain production to 175m tonnes from 180m forecast a month ago.

Insects damage Pakistani cotton

KARACHI — Pakistan's cotton output may not reach its estimated level of 3.6m bales this year because of extensive damage to standing crops by insects in several districts of Punjab province, official sources said.

Indian tea tax cut

By Our Own Correspondent CALCUTTA — In order to attract more tea to the Calcutta and Siliguri auctions and to rationalise the tax structure on tea sales, the West Bengal Government reduced sales tax from 3 per cent to 1 per cent on tea bought at Calcutta centre, with effect from October 9.

Europe benefits from UK plywood quota

DURING 1978 a new and baffling trend first appeared in the UK's plywood statistics — it became an exporter of plywood on quite a large scale. Britain's plywood manufacturing industry is small in normal year it supplies about 25 per cent of the country's total requirements and concentrates on specialised types of board.

Growers urged to process rubber

KUALA LUMPUR — Mr. Paul Leong, Malaysian Primary Industries Minister, has urged rubber producers to consider integrating and becoming rubber manufacturers.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals, Copper, Tin, Zinc, and Aluminium. Includes prices and market commentary.

COCOA

Table for Cocoa market data, including prices for various grades and market trends.

PRICE CHANGES

Table showing price changes for various commodities like Metals, Rubber, and Soyabean Meal.

AMERICAN MARKETS

Table for American Market data, including prices for Silver, Gold, and various commodities.

L.G. Index Limited 01-351 3466

23 Lamont Road, London SW10 0BS. Tax-free trading on commodity futures.

INSURANCE BASE RATES

Table listing insurance base rates for Property Growth and Vanbrugh Guaranteed.

CORAL INDEX: Close 463-468

ART GALLERIES

ANDREW WYLL GALLERY, 3, Cole St. W1T 3JE. HAMILTON'S 18, Carfax Place, St. Giles, London EC4A 3DF.

COFFEE

Table for Coffee market data, including prices for Robusta and Arabica beans.

GRAINS

Table for Grains market data, including prices for Wheat and Barley.

WHEAT

Table for Wheat market data, including prices for various grades.

SOYABEAN MEAL

Table for Soyabean Meal market data, including prices for various grades.

SUGAR

Table for Sugar market data, including prices for various grades.

WOOL FUTURES

Table for Wool Futures market data, including prices for various grades.

EUROPEAN MARKETS

Table for European Market data, including prices for various commodities.

INDICES

Table for Indices market data, including DOW JONES and REUTERS.

FINANCIAL TIMES

Table for Financial Times market data, including prices for various indices.

MEAT

Table for Meat market data, including prices for various types of meat.

LONDON COMMODITY CHARTS

Daily High/Low close charts. Please send me details. Updated to Friday's close.

COTTON

Table for Cotton market data, including prices for various grades.

MEAT/VEGETABLES

Table for Meat/Vegetables market data, including prices for various products.

WOOL FUTURES

Table for Wool Futures market data, including prices for various grades.

LONDON STOCK EXCHANGE

BP speculation intensifies and equities weakened late Return of interest rate worries lower Gilts sharply

Account Dealing Dates Option First Declara- Last Account Dealings (Days) Oct. 23 Oct. 24 Oct. 25 Oct. 26 Oct. 27 Oct. 28 Oct. 29 Oct. 30 Oct. 31

Uncertainty ahead of this week's batch of economic indicators. In particular, today's announcement of the trade returns for September which will be followed by the mid-September money supply statistics on Thursday, made for an extremely cautious start to the second leg of the current trading Account in stock markets yesterday.

Weekend Press speculation about the imminence of the Government's proposed sale of part of its holding in British Petroleum was also a restraining influence and led to a downward drift in high equities and British Funds. The prospect of a fairly lengthy spell of high interest rates additionally unsettled the latter. Losses extended to 100-pointed Gilts following domestic and fresh overseas selling and a late recovery was thwarted by speculation of a U.S. Prime Rate rising to 15 per cent. The shorts were not immune from liquidation and closed at the day's lowest with falls to 7 points.

Leading industrials drifted lower on liquidation and lack of support until the late dealing when the market became extremely nervous about the imminence of the BP issue details intensified and reacted fairly swiftly. This was well illustrated by the FT 30-share index which extended a loss of 4 points at 3 pm to a fall of 7 points to 465.0 at the close.

Among the noteworthy industrial sectors, Oil shares sustained some fairly sizeable losses no fears related to the British Petroleum issue, while interest rate anxieties were reflected in widely lower Properties. In contrast, Gold mining shares staged a recovery in line with a rise in the price of bullion, but the final rises were small. The Gold mines index fell 1.8 to 221.1 after having fallen 17.8 over the previous two trading days.

Widespread firmness in Chinese bonds was attributed to demand based on a combination of revived debt repayment hopes and the bonds' rarity value. The 5 per cent 1912 were outstanding with a fresh rise of 4 points to 432, while the identical coupon 1913 issue gained 31 points to 2231.

Business in investment currency was noticeably quieter and the premium drifted lower throughout on moderate selling to close 11 points down at 32 per cent. Yesterday's SE conversion factor was 0.9131 (0.8941).

Activity in the Traded option market remained at a reasonably high level, with a total of 734 contracts arranged; this compares with Friday's 602 and last week's daily average of 848. The October series expire on Wednesday and this sparked interest in BP, 133 trades, Land Securities, 154, and Grand Met, 114.

Banks easier Occasional offerings and the lack of support made for a dull day in the major clearing banks. Barclays, 450p, and Midland, 360p, surrendered a piece, while Lloyd's advanced 3 to 312p, as did NatWest to 352p. Discount Houses lacked a decided trend. Union gained 7 to 352p and

Smith St. Aubyn hardened 2 to 85p, the latter ahead of tomorrow's interim results. Cater Ryder, on the other hand, dipped 3 to 338p and Gerrard and National relinquished 3 to 254p. Minet, at 109p, recovered 6 more of the fall which followed recently disappointing first-half results. Elsewhere in insurances, Willis Fesher gained 3 to 230p; it was announced yesterday that the company have formed an oil and gas division, providing oil and drilling contractor insurances.

Fears about the adverse effects on vital Christmas trade of the continuing whisky strike left Distillers a dull market, the shares falling 5 to 223p. Arthur Bell, 190p, and Highland, 101p, both eased 2 in front of their respective primary results which are expected during the next Account. Little interest was shown in leading Breweries, most issues drifting a penny or so easier. Among the regional issues, Davenports, a firm market last week on strong bid rumours, encountered profit-taking and shed 4 to 138p. Vaux gave up a similar amount at 150p.

Significant falls in Buildings issues often reflected adverse trading statements. Marchwell shed 8 to 102p following sharply lower half-yearly profits and Rugby Portland Cement eased 3 to 63p on interim results below expectations. Last Friday's poor first-half performance left W. and J. Glossop 3 cheaper at 56p. Among the leaders, small selling left its mark on Blue Circle which relinquished 4 to 364p, while Cestair needed a couple of pence to 156p and Taylor Woodrow gave up 3 to 350p. Against a generally easier trend in Timbers, Magnet and Southern attracted sporadic interest, and hardened a penny to 161p, 162p, and 163p respectively. Manders opened some 2 points higher at 190p following favourable weekend Press mention, but when interest failed to materialise settled only a couple of pence higher at 192p.

Small sellers of 8 to 10p in Chemicals and ICI slipped 5 to 359p, while Fisons eased 3 to 355p. Recently the subject of abortive bid discussions, Plysca encountered late offers and advanced 2 to 56p. Anchor Chemicals, however, formed 2 to 82p as bid speculation persisted.

Stores dull Late publication of the September retail sales figures had little impact on the quietly dull Store leaders. Gussies "A", 389p, and House of Fraser, 135p, lost 4 apiece, while Raychee declined a few pence to 103p. In front of today's interim results, Marks & Spencer, eased to 100p before closing a net penny lower at 101p, while British Home, which report half-yearly figures tomorrow, gave up 3 to 245p. Elsewhere, details of a property acquisition failed to inspire NFI, 122p, and at Slop Time Products softened a penny to 80p awaiting today's first-half results and Press comment prompted improvements of a penny or so in Kitchen Queen, 57p, and Dewhurst Dent, 221p. Grattan Warehouses added 2 to 344p in anticipation of today's interim and Platinum, half-yearly statement due on Thursday, edged forward a penny to 17p. Waring and Gillow rose 3 to 157p on renewed demand in a thin market.

Already a couple of pence harder on Press comment, Strong and Fisher improved further to close 6 to the good at 80p in response to the annual profits upsurge. Elsewhere in Shoes, Style declined 2 to 230p, and Speculatively favoured late on hopes of a bid, possibly from Racial Electronics. Methred lost 6 to 260p, after 388p on disappointment with the disclosure that Arcon Francis subsidiary of Tyco Laboratories Inc., have acquired a near 10 per cent stake. Elsewhere in Electricals, the leaders drifted lower on lack of support and falls of 5 and 8 respectively were recorded in GEC, 369p, and Thorn, 410p. Plessey softened a penny to 123p. BIK fell 7 to 224p and Farnell declined 5 to 362p as did Electronic Restalls to 137p. By way of contrast, Dal moved up 4 to 130p and Wholesale Flightings advanced 10 to 465p.

With the exception of Hawker Siddeley, down 6 at 173p, on nervous offerings ahead of Thursday's interim figures, leading Engineering firms held up well until the late dealings when a slightly easier trend became apparent. Elsewhere in Engineering, news continued to reflect the proposed rights issue and gave up 4 more to 62p, but BHP hardened a shade to 691p helped by the profits forecast contained in its formal offer for Clifford and Small. Pending further news of the bid approach, Whessex encountered scattered support and touched 154p before reacting to settle without alteration at

150p. Thomas Locker formed a penny to 161p in response to Press mention, but Stavley met selling and gave up 3 to 232p. Although the majority of Food issues traded easier, selling was light. J. Sainsbury eased 5 to 310p and Associated Bakers up 3 to 270p. Elsewhere, Spillers shed 3 to 451p; Dalgety, also a couple of pence cheaper at 282p, now held 52.7 per cent of the former's share capital. Many speculative counters met with modest profit-taking. Associated Fisheries and Avana shedding 3 to 277p and 200p respectively. Reflecting demand late on Friday, G. F. Lovell formed 4 to 76p.

In Hotels and Caterers, Hydro Hotel Eastbourne advanced 10 in a limited market to 325p as bid hopes revived. Savoy "A" hardened 2 to 95p following favourable Press mention, but Grand Metropolitan declined 5 to 145p on general market inouences.

Small scrappy selling and lack of investment support prompted dull conditions in the miscellaneous industrial leaders. Reckitt and Colman dipped 6 to 216p and Beecham dipped 4 to 150p as did Glaxo to 453p. Bowater relinquished 3 to 172p and Boots softened 2 to 134p. Elsewhere, still unsettled by the proposed closure of its manufacturing plant at Dunkinfield, Manchester, ICI fell away to 45p before closing a net 10 down at 460p. Despite the interim profits setback, McCleary L'Amie softened only a fraction to 11p. Favourite Press mention attracted buyers to 312p, while M&P, at 185p, Haslemere became vulnerable and fell 3 to 304p, while Stock Conversion, 389p, and Slonch Estates, 109p, gave up 4 and 5 respectively. The higher half-yearly profits from Berkeley Hamlyn were 4 easier at 180p, but the prevailing dull trend left the shares a couple of pence cheaper at 206p. Greycoat Estates, however, formed 3 to 121p in response to weekend newspaper comment.

BP nervously Late rumours that details of the Government's proposed sale of part of its holding may be released soon in British Petroleum left the price 12 down at 322p. Shell shed 3 to 346p while BHP, at 691p, was shadowed by the same possibility and gave ground accordingly. Ultramar and Trecentral relinquished 6 apiece to 350p and 242p respectively, while Oil Exploration cheapened 2 to 478p, the last-named pending developments in the oil market.

In Overseas Traders, Steel Brothers cheapened a couple of pence to 165p in front of today's mid-term statement, while S. and W. Berisford fell 8 to 192p. Trusts turned easier and closed

ever, provided isolated firm features, including Rolls-Royce, 1 up at 671p, and T. Cowie, similarly higher at 48p. Dutton-Forsyth hardened 1 to 161p on unconfirmed reports that Lomho have agreed takeover terms. In Components, Doves gave up 3 to 306p and Zenith Carbreretter fell a like amount to 75p, the latter mirroring Friday's first-half loss.

Press reports that S. Pearson may again bid for Pearson Longman lifted the latter 9 to 219p. Elsewhere among Paper/Prints issues, however, an easier trend noted although little selling was reported. International Thomson fell 5 more to 313p awaiting news of the talks at The Times, while London and Provincial Foster gave up 5 to 305p on further consideration of last Friday's interim results. Osley Printing added a penny to 58p ahead of today's first-half statement. Improved hopes of a breakthrough in the ITV dispute again lifted Gwynne, at 265p, while Saatchi touched 133p at one stage but retreated to end a net 3 lower at 130p.

The strengthening belief that interest rates will hold their present high levels perhaps for the rest of the year, unsettled Properties. Leading issues succumbed to persistent small selling and Land Securities finished 6 cheaper at 299p, at 285p, while M&P, at 185p, Haslemere became vulnerable and fell 3 to 304p, while Stock Conversion, 389p, and Slonch Estates, 109p, gave up 4 and 5 respectively. The higher half-yearly profits from Berkeley Hamlyn were 4 easier at 180p, but the prevailing dull trend left the shares a couple of pence cheaper at 206p. Greycoat Estates, however, formed 3 to 121p in response to weekend newspaper comment.

NEW HIGHS AND LOWS FOR 1979 The following securities quoted in the Share Index since 1979 have attained new Highs and Lows for 1979.

NEW HIGHS (31) FOREIGN BONDS (2) Chinese Sec 1912 122p, Chinese Sec 1913 122p

NEW LOWS (24) NEW HIGHS (31) FOREIGN BONDS (2) Chinese Sec 1912 122p, Chinese Sec 1913 122p

LONDON TRADED OPTIONS Table with columns for Option, Ex'c'n, Closing price, Vol., and Equity close. Includes options for BP, BHP, Shell, etc.

EUROPEAN OPTIONS EXCHANGE Table with columns for Series, Vol., Last, and Stock. Includes options for ABN C, AMN C, etc.

THE KOREA DEVELOPMENT BANK 3 3/4% GUARANTEED BONDS DUE 1st NOVEMBER, 1979. Notice is hereby given that the above-mentioned Bonds will be redeemed on 8th November, 1979.

RISES AND FALLS YESTERDAY Table showing price changes for various stock groups like British Govt, Industrial, etc.

RECENT ISSUES Table listing recent stock issues with details like Issue Price, Date, and Stock.

FIXED INTEREST STOCKS Table listing fixed interest stocks with columns for Issue Price, Date, and Stock.

"RIGHTS" OFFERS Table listing rights offers with columns for Issue Price, Date, and Stock.

FIXED INTEREST PRICE INDICES Table listing price indices for various fixed interest securities.

FINANCIAL TIMES STOCK INDICES Table showing indices for Government, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY Table showing high and low prices for various stocks.

ACTIVE STOCKS Table listing active stocks with columns for Stock, Denomina-tion, Closing price, Change, 1979 high, 1979 low.

Options Hunting Petroleum, Berrill Tin, Decca "A", Leobol, Fobel, LRC, James Neill, Premier Oil, Slyn, Larne, Connaught, FVFC, Larne, Benzol, Serok, Sanitas Industries, Burnmah and Wilkinson Match. Puts were completed in Burton Warrants, ICI and Bernard Matthews, while doubles were arranged in Premier Oil and ENI.

FT-ACTUARIES SHARE INDICES Table showing share indices for various equity groups and sub-sections.

AUTHORISED UNIT TRUSTS

Table of Authorised Unit Trusts listing various funds such as Abbey Unit Trst Mgrs, Abbey Growth, Abbey Income, etc., with columns for fund name, manager, and performance metrics.

INSURANCE & PROPERTY FUNDS

Table of Insurance & Property Funds listing various funds such as Abbey Life Assurance, Abbey Property, etc., with columns for fund name, manager, and performance metrics.

OFFSHORE & O'SEAS FUNDS

Table of Offshore & Overseas Funds listing various funds such as Alexander Fund, Allen Harvey & Ross Unit Trst, etc., with columns for fund name, manager, and performance metrics.

OFFSHORE & O'SEAS FUNDS

Table of Offshore & Overseas Funds (continued) listing various funds such as Keyser Offshore Ltd, King & Shapson Mgrs, etc., with columns for fund name, manager, and performance metrics.

NOTES: This table includes details on the unit trusts listed, including their objectives and investment strategies.

NOTES: This table includes details on the insurance and property funds listed, including their terms and conditions.

NOTES: This table includes details on the offshore and overseas funds listed, including their global investment focus.

NOTES: This table includes details on the offshore and overseas funds listed, including their global investment focus.

FT SHARE INFORMATION SERVICE



BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Chg.

Five to Fifteen Years

Table of funds categorized as Five to Fifteen Years.

Over Fifteen Years

Table of funds categorized as Over Fifteen Years.

Undated

Table of undated funds.

INTERNATIONAL BANK

Table for International Bank.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails.

AMERICANS

Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase.

BANKS & HP—Continued

Continued table of Banks & HP.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads.

CHEMICALS, PLASTICS—Cont.

Continued table of Chemicals, Plastics.

DRAPERY AND STORES

Table of Drapery and Stores.

ELECTRICALS

Table of Electricals.

ENGINEERING—Continued

Continued table of Engineering.

Table of Food, Groceries, etc.

Table of Hotels and Caterers.

Table of Industrials (Miscellaneous).

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CHEMICALS, PLASTICS

Table of Chemicals, Plastics.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc.

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INDUSTRIALS—Continued

Table of industrial stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

INSURANCE—Continued

Table of insurance stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

PROPERTY—Continued

Table of property stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

FINANCE, LAND—Continued

Table of finance and land stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

NOMURA The Nomura Securities Co., Ltd. London Office: Barber Surgeons Hall, Mark Lane, London EC3R 7LN.

MINES—Continued AUSTRALIAN

Table of Australian mines including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

TINS

Table of tins including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

COPPER

Table of copper including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

MISCELLANEOUS

Table of miscellaneous stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

GOLDS EX-PRIMUM

Table of gold ex-primum including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in £. Estimated price-earnings ratios and covers are based on latest annual reports and accounts and, where possible, are based on half-yearly figures. P/E ratios are calculated on the basis of net distributable profits. Dividend yields are based on the price of the share at the time of publication. Dividend yields are based on the price of the share at the time of publication.

LEISURE

Table of leisure stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

Commercial Vehicles

Table of commercial vehicles including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

Components

Table of components including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

Garages and Distributors

Table of garages and distributors including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

SHIPPING

Table of shipping stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

SHOES AND LEATHER

Table of shoes and leather including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

SOUTH AFRICANS

Table of South African stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

TEXTILES

Table of textiles including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

NEWSPAPERS, PUBLISHERS

Table of newspapers and publishers including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

PAPER, PRINTING ADVERTISING

Table of paper, printing and advertising including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

PROPERTY

Table of property stocks including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

TOBACCO

Table of tobacco including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

FINANCE, LAND, etc.

Table of finance, land, etc. including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

OVERSEAS TRADERS

Table of overseas traders including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

RUBBERS AND SISALS

Table of rubbers and sisals including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

TEAS

Table of teas including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

INDIA AND BANGLADESH

Table of India and Bangladesh including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

Sri Lanka

Table of Sri Lanka including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

Africa

Table of Africa including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

MINES

Table of mines including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

CENTRAL RAND

Table of central rand including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

EASTERN RAND

Table of eastern rand including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

Far West Rand

Table of far west rand including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

FINANCE

Table of finance including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

DIAMOND AND PLATINUM

Table of diamond and platinum including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

REGIONAL MARKETS

Table of regional markets including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

OPTIONS

Table of options including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

3-month Call Rates

Table of 3-month call rates including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

FINANCE

Table of finance including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

CENTRAL AFRICAN

Table of central African including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

DIAMOND AND PLATINUM

Table of diamond and platinum including Hovis & Sheldon, Hovis & Sheldon, Hovis & Sheldon, etc.

